2: Milosz S-5 (no date)1953 El Europe El

tianity to a cult of History takes place imperceptibly. Without doubt, the greatest success of the Imperium would come if it could install a Party-line pope in the Vatican. A mass in the Basilica of St. Peter in Rome, performed by such a pope, with the assistance of dignitaries from those subjugated countries which are predominately Catholic, would be one of the most important steps toward the consolidation of the world empire.

Christians who serve the Eastern Imperium ingeniously resolve the problem posed by Jesus' words "Render therefore unto Caesar the things that are Caesar's; and unto God the things that are God's." Until now the contrast between the ordinary man and Caesar has never been effaced. Christianity guaranteed this division by teaching that every man had his own history, distinct from the history of the social group or the nation to which he belonged. If, as is taught today from the Elbe to Vladivostok, the history of every man is nothing more than the reflection of the history of his class, and if his class is personified in Caesar, then it is clear that the man who rebels against Caesar rebels against himself. Christians who agree to this thesis prove they no longer believe in God's judgment of each man's acts. Fear that History will damn them eternally motivates their submission.

The Party knows that the conflict between true Christianity and the Revolution is fundamental. The Revolution aims at the highest goal the human species has ever set for itself on earth, the end of "man's exploitation of man." To do this, it must replace man's desire for profit with a feeling of collective responsibility as a motive for action. This is a distant and honorable goal. Probably it will not be reached quickly; and probably, too, for a long period it will be necessary to maintain a constant terror in order to instill that feeling of responsibility by force.

4: Wszelaki U-4 (no date) 1952 El Europe El

135 total output of Germany, again mainly Eastern, reached 250.7
433 million tons. The total 1943 output of lignite in the present captive area may be estimated as exceeding 200 million tons. In 1948 all these figures were much lower (except in Polish Silesia, which produced about 4 million tons) but had a marked tendency to increase. In 1949 Czechoslovakia produced 26.5 million tons of lignite, Hungary 5.5 million, Poland 4.6 million, and Rumania 2.8 million. The official figure of lignite production in Eastern Germany in 1950 was 137 million tons, and the total output of this fuel in the captive area could be estimated as reaching 185 million tons.

● [185] The plans for 1953-1955 are as follows: Bulgaria is expected to produce 6 million tons of lignite in 1953, Czechoslovakia 38.8 million in 1953, Eastern Germany 225.2 million in 1955,[11] Hungary 25 million in 1954, Poland 8.4 million in 1955, and Rumania 7.7 million in 1955. The Czech and Eastern German targets are very high in comparison with their past and present output, and the Hungarian target seems to be unrealistic. Anticipating that the three plans to be terminated in 1955 may in fact be implemented earlier, a tentative figure of some 310 million tons of lignite may be accepted as that of the total output of lignite in the captive area to be achieved by the end of 1954 or the beginning of 1955. According to the ratios accepted by the *Economic Survey of Europe*, these figures would represent the equivalent of about 50.1 million tons of hard coal in Eastern Germany, 22.7 million tons in Czechoslovakia, and 12.1 million tons in the remaining four countries of captive Europe — a total of about 85 million tons. If other ratios were accepted as a basis for this computation, the total would be very much larger.

Together with the 133 million tons of hard coal which is the 1954-1955 target of the captive area, the grand total output of hard fuel for that area anticipated by 1954-1955 comes to 218 million tons of coal or coal equivalent, or more if the higher ratios of conversion are applied. Taken at its minimum, the goal of 218 million tons of coal or coal equivalent exactly coincides with the coal production of the United Kingdom in 1949, which was 218.5 million tons.

315 Thus, the increase of Polish production in 1950 over that in
● 185 1949 was officially described as "an enormous jump" and the
433 output of gas in the third quarter of 1951 was alleged to have been 173 percent of that the whole year before. In Rumania the 1950 output increased, according to the official press, by 24 percent in comparison with that of 1949, and the output of the first half of 1951 was alleged to have been larger by one third than that of the first half of 1950.[30] It is not possible to check these assertions, but they may correspond to the truth. Rumania would not be building three plants for the chemical processing of gas unless there were good reasons for expecting an increase in the extraction of gas.

[185] According to their long-range plans, which officially terminate in 1955 but are expected to be fulfilled by 1954, Rumania anticipates extracting 3,900 million cubic meters of natural gas, and Poland 480 million meters. These targets are moderate in comparison with those foreseen for oil extraction. The Hungarian target for 1954 is unknown, and so is the Soviet plan for Austria. The Czech output is negligible. A hypothetical figure of some 5,000 million cubic meters of natural gas, almost entirely dependent on the unpredictable Rumanian output, is the best that can be surmised for the entire captive area in 1954.

4: Wszelaki U-4 (no date) 1952 El Europe El

ELECTRIC POWER

[185] 377

ELECTRIFICATION was Lenin's panacea for poverty and backwardness, and much of this belief has been accepted as gospel by the satellite governments, in particular those of the Balkan states. This theoretical attitude does not differ from that adopted in practice throughout the world. All over the globe, the installed capacity of the generators and the total production of electric energy have been increasing with great rapidity, especially during the last twenty-five years. The captive countries, with the obvious exception of Eastern Germany, have been under-invested in electric energy for a long time and thus have lagged considerably behind Western Europe. As their thermal and water power resources are on the whole no less than those of Western Europe, the extra emphasis on the output of electric energy by the present satellite governments can and should lead, within their current long-range plans, to a striking increase in that production. New hydroelectric plants will of course produce new energy, while the output of the new thermal plants will, as is commonly accepted, represent at least one-fifth more power than that which would be produced by direct combustion of the same amount of hard and liquid fuels. Without a sufficiently high output of electric energy, the huge chemical plants under construction in the captive area, the planned aluminum and special steel plants, and the railroads about to be electrified could not possibly be operated.

Coal and lignite are, and for a long time will be, supplying the great bulk of electric power in the captive area, since water power has not been hitherto sufficiently developed. The potential hydroelectric capacity of the area is very high in the Danube basin. Excluding Germany and Austria, it is evaluated at nearly 17 million kilowatts, *i.e.*, as much as that of the four Pacific coast rivers in the United States. The Vistula, the Oder, the

"The output of coal increased in 1950 by 5 percent in comparison with that of 1949. Industrial production as such increased by 30.8 percent in comparison with 1949. It follows that industry grows far more rapidly than the production of fuel. At the same time, railroad transportation increases more rapidly than the output of coal. The demand of the market for coal as domestic fuel is also increasing . . . in 1950, the consumption of domestic coal was nearly 3.5 times as large as prewar. . . . At the same time, the demand for coal for exportation remains unchanged. . . . In that situation, the problem of increasing the output of coal, of fulfilling and overfulfilling the plan, must become one of the central issues of our work in 1951." This quotation comes from a speech of Hilary Minc, the economic master of Poland, which he delivered in February 1951, to introduce the economic plan for 1951.[67] There is no doubt that these words apply equally well to Czechoslovakia and all the other captive countries.

Probably the best economic brain behind the Iron Curtain, Minc realizes very well the danger of the situation. In his speech he offered a number of remedies: new investments (*i.e.*, new mines), higher mechanization and increased efficiency in organization and labor. There is no doubt, again, that as long as the discrepancy between the supply of coal and the demand for it by industry and transport remains the only reason for worry by the Polish or any other satellite government, these measures, which are already being applied, can improve the performance of the mines and increase the output of coal. Statistics show that output has been increasing in Poland by about 4 million tons per annum (1948: 70 million tons; 1949: 74 million; 1950: 78 million tons). But this rate of increase appears to be insufficient. Unless it can be accelerated, the target of 100 million tons of coal by 1955 (in practice, by 1954) will not be achieved. Moreover, even if this goal should be achieved, the planned output would not cover the demand as described by Minc.

It is a fact that even if the Communist economy functions at an optimum "normal" level the efficiency of labor in coal mining

4: Wszelaki U-4 (no date) 1952 El Europe El

316 and oil extracting cannot be raised above a certain point, lower than that of the prewar period, whatever the achievements in other branches in industry. Polish coal miners were the best in Europe: in 1937 the per capita production of coal was 0.8 tons daily in France and Belgium, 1.2 tons in Great Britain, 1.6 tons in Holland, 1.5 tons in Germany, and 1.8 tons in Poland; that of Polish Silesia was 2.0 tons daily.[68] Since the last war, despite great efforts, moral persuasion and flattery, and the bonuses, uniforms and medals with which the Warsaw government has cajoled the coal miners, at the same time threatening them with police reprisals, the individual productivity of the coal miners has never reached its prewar level. The postwar per capita production in Poland has never exceeded 75 to 80 percent of prewar figures,[69] and until the crisis of 1951 that level could have been regarded as more or less fixed. The performance of the Czech, Hungarian, and Rumanian coal miners has been, if anything, lower.

Even before the present crisis, since human nature cannot be influenced beyond a certain point, the satellite governments knew that they must replace the ineffective men by effective machinery. In this they have followed the experience of the Soviet Union, which for years had been suffering from the fluidity and inefficiency of labor in mining. There is much to be done in this respect. All over the captive area many mines are technically obsolete and not sufficiently mechanized, and production continues to depend in the last analysis on the human element. In these mines new methods of production are being introduced. Underground traction is being electrified, transmission belts installed, and machinery for winding and hoisting, sizing and washing is being introduced. Soviet mechanical coal cutters, the so-called Donbas coal combines, are expected gradually to replace the more antiquated methods of coal cutting.[70]

● 185 316 The best possibility for the satellite governments to increase the output of coal lies in the expected production of the new "scientific" coal mines which are being built in the course of the present long-range plans. Within its Six Year Plan

Poland alone anticipates the construction of eleven large mines with a total annual output of 9 million tons of coal, and 36 extensions of the existing mines with an output of 14 million tons. Of the former, 8 mines are presently under construction, each of them expected to produce 6 to 10 thousand tons of coal daily.[71] More money was invested in Polish coal mining in 1950 than during the years 1945-49 inclusive, and the 1951 investment is far larger than that of 1950.[72] Similar investments in the other captive countries are being made with increasing rapidity.

While the output of coal has been stimulated by all these methods, efforts are being made to restrain the consumption of coal and to insure more efficient utilization. Since the middle of 1950, saving coal, in particular coal of good quality, has become one of the basic aims of the captive area's economy. The daily press eulogizes engineers and technicians who manage to operate factories and run trains on minimum quantities of coal or on low grade coal. All over the captive area, railroads and industrial plants substitute lignite or coal waste for hard coal fuel. In Soviet Berlin alone, the substitution of lignite for coal at the Klingenberg power plant will result in the saving of 500,000 tons of hard coal per annum.[73] At the same time electrification is being speeded up, since it will result in a lesser expenditure of fuel. During the last war, when the Nazis were faced with a grave fuel shortage, the "heat-engineers"[74] charged with this problem by the minister of armaments, Speer, introduced far-reaching improvements in the exploitation of the hydroelectric and thermal plants and saved up to 50 percent of the fuel and current.[75] Many of these men are available behind the Iron Curtain and, together with their colleagues from the other captive countries and with Soviet advisers, they are doing their best to wring the most they can from the local resources. When Selbmann, minister of heavy industry, states that the Eastern German thermal plants have reached the outside limit of load capacity,[76] the statement must be taken at its face value.

This analysis of the situation seems to lead to the conclusion that under "normal" conditions the Communist regimes of cap-

315 duction of oil is different: there is no guarantee that new investments will produce oil. On the eve of World War II, the Polish oil fields were regarded as being gradually exhausted: between 1900 and 1938 their annual production fell from some 4 million metric tons to 0.5 million. The production of the much richer Rumanian oil fields fell from a peak of 8.7 million tons in 1936 to 5.2 million tons in 1943, and the prevailing technical opinion was that they had passed their production peak. The point of departure of the current long-range plans is that the new oil fields in Albania, Czechoslovakia, and Hungary (and Austria as well) can be developed almost at will, and that the exhaustion of the oil fields in Rumania and Poland can be halted and that production can be stimulated. The satellite governments and the Soviet experts who manage most of the oil fields take for granted that they contain much untapped oil, and that it can and will be extracted. More effort than ever before is being expended in the search for new sources of oil and in full exploitation of the existing wells. According to the Rumanian Five Year Plan about five million feet of new drilling will be made in 1955, while in the top production year of 1936 new drilling reached only one million feet.[81] According to the same plan Rumania will manufacture most of its own oil mining machinery and make the installations in its plants. Altogether the equivalent of 860 million dollars will be invested in the Rumanian oil industry in the course of the current plan.[82] As noted above, the oil production hitherto obtained does not seem to confirm such optimism, especially in view of the fact that since the summer of 1951 the situation in the Rumanian oil fields as well as in the others, has been much complicated by the food crisis.

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371 To sum up: after consideration of all data pertaining to fuel and power production in the captive area of Europe, both actual and planned, the following conclusions can be made. If the satellite governments do not fundamentally revise their attitude towards labor, especially during the present food crisis, and unless rapid technical and organizational progress is attained in hard coal extraction, the coal shortage may develop into a bottle-

4: Wszelaki U-4 (no date) 1952 El Europe El

377 1. It may be taken for granted that every effort will be made to fulfill the Eastern German, Polish, and Rumanian plans one year ahead of schedule, that is, by the end of 1954 or beginning of 1955.

2. It may be expected that, having fulfilled its plan for power by the end of 1951, Bulgaria will launch a new plan which may aim at an output of about one billion *kwh* more by the end of 1954 or the beginning of 1955 — an entirely justified supposition.

3. It is true that the output of 16.5 billion *kwh* which Czechoslovakia plans to reach in 1955 cannot be accepted as its target for 1954 or beginning of 1955, and a much lower figure should be taken instead.

4. But the larger Bulgarian and the lower Czechoslovakian figure may compensate one another, especially if a lower figure of the Hungarian output in 1954 (6,000 million *kwh* instead of 6,500 million) is accepted as the basis for the tentative computation.

Under the circumstances the writer regards the mere arithmetic sum of the six national targets, equivalent to more or less 82 billion *kwh*, as an entirely acceptable hypothesis: the margin of error should not exceed one billion *kwh*.

[60] Harry Schwartz, *New York Times*, 23 January 1951.

[61] Estimates of the writer.

371 [62] *Economic Survey of Europe in 1949*, United Nations, Geneva, 1950, p. 231.

[63] 82 billion *kwh* represent the equivalent of somewhat over 50 million tons of coal (1,590 *kwh* equivalent to one ton of coal, see footnote 62). This figure corresponds to a general figure for Europe; see p. 12 of the same *Survey*.

[64] Estimates of the writer.

[65] Silesian coal has been exported for generations, and trade in it flourished between the two World Wars. Industrial production and railroad transportation in the countries named depend to some extent on the specific technical quality of Polish coal.

[66] 800 million *kwh* from Hamburg and West Berlin, according to *Wirtschaftsrevue*, Karlsruhe, 15 December 1950. See also footnote 14.

371 [67] *Trybuna Ludu*, Warsaw, 1951, No. 53.

433 [68] *Statistical Yearbook of Poland*, 1939, p. 239; also *European Steel*
316 *Trends*, United Nations, Geneva, 1949, p. 51.

[69] Evaluation by Alfred Zauberman, *Dziennik Polski*, London, 1951.

[70] The production of the Donbas combines began in 1951 at the Piotrowice plant of heavy mining machinery in Poland (*Wirtschaft*, Berlin, 1951, No. 32) and in at least one of the corresponding plants in Czechoslovakia.

● 185 [71] *Trybuna Ludu*, Warsaw, 1951, No. 160.

4: Wszelaki U-4 (no date) 1952 El Europe El

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[72] National Plan for 1951.
[73] *Wirtschaft*, Berlin, 1951, No. 21.
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[74] Chardonnet. The German word is "Wärme-Ingenieure."
[75] *Ibidem.*
[76] *Wirtschaft*, Berlin, 1949, No. 13.
[77] The German technical word is "Abraum."
[78] Max Fritsch in *Wirtschaft*, Berlin, 1951, No. 32.
[79] Redmayne, *op. cit.*
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[80] *Wirtschaft*, Berlin, 1951, No. 40.
[81] *Rumanian Information Bulletin*, Washington, 25 January 1951.
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[82] *Ibidem.*

were generated by the agricultural crisis and the ensuing famine of 1920-21. To meet the needs of the urban population, the Bolsheviks decreed a forced food levy (December 14, 1920) by which peasants were ordered to deliver their entire surplus to the State. The peasants, retaliating in kind, produced little more than their own needs demanded. Scattered peasant uprisings, together with the Kronstadt rebellion early in 1921, combined to force a change of policy on the new regime. The strict codes of "War Communism" were abrogated and the New Economic Policy (NEP) was launched. Delivery quotas were introduced (amounting to a tax-in-kind) and peasants were encouraged to produce for a flourishing free market.

Thus, for a time under NEP the peasants, who now controlled almost all the arable land, were permitted to enjoy the fruits of their revolutionary exertions. Agricultural production recovered rapidly and a degree of national prosperity resulted. But the Bolsheviks had paid a price for this prosperity -- the restoration of free market relations between town and country.

The Leninist Dilemma

The unstable compromise of NEP postponed the inevitable clash between the "proletarian dictatorship" and the victorious peasant revolution. Two parallel developments were rapidly to hasten the impending struggle: throughout the NEP period (1921-28) the peasants tightened their hold on the land, many of them growing relatively prosperous, and thereby fortifying their gains. At the same time the Bolsheviks were tightening their hold on the political machinery of the State and turning their party into a monolithic organization capable of an outright offensive against the rest of the country. Thus, the stage was set for the gigantic economic struggle of the late twenties.

The issue at stake between the Bolsheviks and the peasantry was only partly ideological. The conflict between the Bolshevik belief in the superior efficacy of large-scale "socialist" farming and the peasants' allegiance to his traditional "way of life" was important, but this conflict was subordinated to another one which was economic in character. The peasants and the Bolshevik regime faced each other across the table on which the grain produce of Russia was negotiated. And it was, in fact, in the realm of economics

578 185 that the two antagonists met and clashed in the "war" which resulted in collectivized agriculture.[18]

The problem which the Bolsheviks had to deal with may be briefly stated. NEP had insured the continued political existence of the regime; but salvation had been achieved at a great price. To obtain a sufficient supply of agricultural produce to feed the rising urban population and, if possible, to permit acceleration of industrial growth, it was necessary to provide increased incentives for the peasantry. But to provide incentives for an increased supply of produce to the cities, it was also necessary to create an industry capable of supplying peasants with the consumer goods and agricultural machinery they demanded in exchange. Without recourse to foreign capital, this, in turn, was impossible, unless a steadily increasing supply of agricultural produce was guaranteed.

The problem of breaking this vicious circle occupied the thoughts of the best Party theoreticians throughout the period of NEP. Some, like Bukharin, suggested a solution bearing some resemblance to the pre-Revolutionary policies of Witte and Stolypin — a "gradualist" approach to industrialization, encouragement of the more efficient middle peasant producers, and limited recourse to foreign capital. Trotsky, as the leader of the radical Left Wing, called for an immediate drive for industrialization in which the peasants would absorb the major shock. The theoretical debate rose to its climax in the late twenties, coinciding with the final victory of the Stalinist faction of the Bolshevik Party and the resurgence of the agricultural crisis in a new form.[19]

The Pre-collectivization Crisis

185 471 423 The Stalinist "solution" to the agricultural crisis (collectivization) did not proceed according to a predetermined plan or theory. Rather, it was developed pragmatically as a response to critical

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[18] Lazar Volin, a foremost American student of Soviet agriculture, also assigned priority to the practical, as opposed to the ideological basis of collectivization. He explained the Communist attachment to the *kolkhoz* in this way: "First, the practical or pragmatic reasons . . . [revolving] around the need for large supplies of cheap agricultural products to feed and clothe the growing industrial population and the army . . . Second, an ideological predilection for agrarian collectivism, rooted in the Marxist-Leninist-Stalinist dogma." Lazar Volin, "Agricultural Organization," *Soviet Economic Growth*, Abraham Bergson (editor), White Plains, N. Y., 1953, p. 286.

[19] A reliable account of the heated Party economic debate may be found in Maurice Dobb, *Soviet Economic Development since* 1917 (New York, 1948), pp. 208-229, and of the political implications of the debate in Isaac Deutscher, *Stalin: A Political Biography* (Oxford, 1949), pp. 294-304.

economic conditions and the special requirements of the first Five Year Plan. Indeed, the first collectivization drive was expected to bring only 14 per cent of the land into the "socialist sector". The overwhelming success of the drive was as much a surprise to the Communist leadership as to the peasants themselves. And it was only when the drive turned out to be so phenomenally successful that the Communist planners stepped up the targets and pace of the Five Year Plan itself.

The agricultural crisis which inspired the collectivization drive of the first Five Year Plan had its origins in two situations: First, the acute grain shortage of 1927-28, and second, and more important, the post-Revolutionary structure of the land (see Chart I). As a result of the peasant revolution of 1917-18, the small and medium peasantry occupied almost all the arable land in the Soviet Union. Where they had produced only 50 per cent of nation's grain in pre-war times, they produced 85 per cent in 1926-27. Since the poor and middle peasants marketed a far smaller percentage of the grain they produced than had the great landowners and kulaks of pre-war times, their domination of the land produced a serious drop in marketed commodities.

Thus, while total grain production had declined by only five per cent below pre-Revolutionary levels, marketed grain had declined by *more than* 50 *per cent* — from 26 per cent of five billion poods in 1913 to 13.3 per cent of 4.749 billion poods in 1926-27.[20] The cities received far less grain than they had received in pre-war times; and due to a number of factors (among them the competition between various State purchasing agencies), the cities were paying a higher price for the grain they could obtain. One of the most serious consequences of this new relationship was the fact that little grain was available for foreign export to pay for desperately needed capital equipment.

The basic problem for the regime was to create an agricultural structure which would enable the State to siphon off a *far greater proportion of the total product*, at a price it wished to pay, than was possible under the conditions of NEP. While it is true that the regime wished to increase total agricultural production, and may have expected to achieve the goal through increased mechanization of the farms, this target was secondary. For achieving the primary goal — extraction of a greater *proportion* of the produce —

[20] A pood equals 36 pounds.

the vehicle of the large-scale collective farm, heretofore neglected, stood ready at hand.[21] 185 471 423

The very essence of the *kolkhoz* (collective farm) system lay in the ease with which it facilitated extraction of heavy tribute from the land in the form of extremely cheap supplies of foodstuffs and industrial crops. Thus, the rise of the Stalinist land system was closely connected with the Party's program of break-neck industrialization, massive capital investments, and strategic projects at the expense of consumption. The ever-tightening hold of the regime over the industrial working class made possible implementation of these policies without the development of consumer goods facilities; and therefore the regime could permit a drop in the levels of consumption without jeopardizing its plan. The new agricultural program — designed primarily to *redistribute* agricultural produce rather than to *increase* it — was consistent with this aspect of the plan. Moreover, the political hold collectivization afforded over the peasants assured State control of the rural labor supply and enabled the State to channel manpower into non-agricultural occupation as it deemed necessary.

This was the general rationale behind collectivization. The immediate cause for the first collectivization drive lay, however, in the mounting economic tensions of the late 1920s. As early as 1925-26 the regime had sought to reimpose many of the agrarian controls lifted in 1921, at the time of the inauguration of NEP. To implement this policy, agricultural prices were once again restricted and production itself subjected to heavy taxes. Retaliating in kind, the peasants drove production downward, hoarded again, and consumed what they could not hide or sell.[22] As a consequence State grain collections in 1928-29 dropped more than one-third below the level of two years before. Tension in the countryside mounted. The means by which the new monolithic party chose to meet this situation was of a magnitude equal to the challenge.

The Stalinist Solution to the Land Problem

The great offensive against the peasantry was launched late 423 185

[21] The *artel* was considered the best form of collective agriculture since it combined a sufficient number of communal features to guarantee State control with sufficient household autonomy to make it structurally feasible to the peasants. The State-appointed managers, supported by local party administrators, could enforce peasant cooperation with the Plan; and the continued existence of individual households offered the peasant that minimum of private incentive consistent with the cooperation.

[22] This crisis is well described in Dobb, p. 222.

423 in 1928, but it was not until one year later, when Stalin called for
185 "liquidation of the kulaks as a class," that its full weight was felt. Since the actual number of kulaks in post-Revolutionary Russia was not very great, this slogan made it abundantly clear that the frankly military offensive was directed against the peasantry as a whole. The story is well known: the dispatch of Communist shock cadres to the villages, the mass deportations, the herding of peasants into hastily formed collective units, the calculated famine in the Ukraine, the wholesale slaughter of livestock by the desperate peasants, the brief pause ordered by Stalin early in 1930, the renewed offensive in 1931-32, the collapse of the opposition, and the final establishment of a collective farm system in all essential respects resembling that of today. There were many subsequent modifications of the system; but its basic features were firmly established in the "avalanche" of collectivization in the 1928-32 period.

In evaluating the success of the drive and the system it created, it is necessary to reiterate that the primary utility of the collective farm lay in its efficiency as an economic and political *control device*, by which rapid industrialization of the Soviet Union could be facilitated, and not in its efficiency of production. To the extent that it made industrialization possible, it is possible to show that Soviet collectivization "succeeded."

241 So far as production is concerned, the efficiency of the collec-
423 tive farm was, and remains, low. It has been estimated that Soviet grain production in 1939 did not exceed that of 1928 by much more than the increase of sown area over the 11 intervening years.[23] Similarly, the gross production value of Soviet agriculture in 1940 exceeded 1928 by only a small fraction, though in the bumper year of 1937 the harvest may have been as much as 14 per cent higher.[24] Throughout the 1930s the Soviets put forth many claims of increased agricultural productivity which were, however, discounted by most Western experts. Western scepticism was vindicated by the 1953 acknowledgement of agricultural deterioration by N. S. Khrushchev, one of the chief architects of later Soviet agricultural policy.[25]

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[23] Naum Jasny, *Socialized Agriculture of the U.S.S.R.* (Stanford, 1950), p. 548.
[24] *Ibid.*, p. 673.
[25] Jasny's figures, which are cited above, are somewhat lower than official Soviet boasts. He made allowance for statistical falsification involved in such Soviet practices as measuring production in accordance with the "biological yield," a misleading statistical device employed by the Soviets since the early thirties and condemned by Malenkov in his August 8th, 1953 address.

5: Free Europe Committee U-4 (no date) 1954 E1 Europe E1

TABLE 1

DIVISION OF AGRICULTURAL PRODUCT IN USSR BEFORE AND AFTER COLLECTIVIZATION †

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Year	Total Yield*	Obligatory Deliveries Million Centners	Obligatory Deliveries Percent of Total Crop	Retained by Farmers Million Centners	Retained by Farmers Percent of Total Crop**
1927/8	605.9	112.2	18.5	493.7	100
1932/3	570.1	185.2	32.5	384.9	77.9
1933/4	677.1	228.7	33.8	448.4	90.8
1934/5	669.5	226.6	33.8	442.9	89.7
1935/6	677.5	249.3	36.8	428.2	86.7
1936/7	612.5	260.0	42.4	353.5	71.4

† Prokopovicz, S. N., *Russlands Volkswirtschaft unter den Sowjets*, (Zurich, 1944), pp. 136, 138.

* Net totals, after seeds deducted from the total yield.

** 100 equals total crop retained by farmer 1927/8. Figures for subsequent years show percentage 1927/8 total retained.

But whatever the failure of collectivization to achieve productive efficiency, and other ostensible goals widely advertised in the propaganda of the time,[26] the Soviet State remained completely loyal to the system, bolstering it by police action and developing its distinctive features over the years. Evidently, the regime considered that for its investment, it was receiving an adequate return. The explanation for this unswerving loyalty to the system, in the face of the massive difficulties encountered, is to be found in the striking change in the pattern of grain collection after collectivization (see Table 1). In 1928 the State collected no more than 18.5 per cent of the total grain crop, while in 1937 an estimated 42.4 per cent was Sta[t]-collected.[27] That this was a direct result of collectivization ...ay be seen in the fact that, from the start, the collectivized sector

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[26] For example, one of the regime claims was that collectivization wiped out the inequality between the rich kulak and the poor peasant. The hypocrisy of this claim was made evident in the agricultural order that replaced the old one. Thus Jasny writes: "The former *kulaki*, actually the more energetic, harder working peasants, are now replaced by the army of chairmen of the *kolkhozy*, tractor drivers, combine operators, and the like. These workers both number and earn more than the *kulaki* . . ." (Jasny, p. 75).

[27] Harry Schwartz (p. 313) gives the Figure 15 per cent for 1928 and 40 per cent for 1939.

241 produced more for the market per hectare of arable land than did
423 the private sector. In 1932, 60 per cent of all households in the
185 Soviet Union had been collectivized, embracing 66 per cent of the sown area. Yet the collective and State farms (*sovkhozy*) supplied 84 per cent of the marketed grain and 83 per cent of the cotton.[28]

241 With the reinforcement of the collective farm system the State
185 was in a position where it could force the peasants to serve as a
471 cushion for harvest shocks. In 1937, a bumper year, the peasants
423 received 35.9 per cent of the total grain crop for division among themselves; but in 1938-39, mediocre crop years, the peasants received only 26.9 and 22.9 per cent of the total, despite the fact that a smaller gross volume was to be shared.[29] In each case primary State needs governed the division of the agricultural yield. The Soviet Government had created an administrative apparatus which insured, in the words of one observer, that "if anyone was to starve, [the peasants] would be the first to do so."[30]

The function of the State farms in the Soviet system is similarly linked to the problem of agricultural deliveries. Though accounting for no more than 10 per cent of the arable area in 1937, the *sovkhozy* delivered 30 per cent of the milk, 25 per cent of the wool, and 24 per cent of the meat delivered to the State in that year. Whereas the grain producing collectives delivered only one-third of their total product to the State in the late thirties, the *sovkhozy* contributed three-quarters of their crop.[31] Hence, it may be said that, from the point of view of the Soviet planner, the State farms bore a superiority over the collective farms similar to the superiority of the collectives over the private farms.

471 The case for collectivization was aptly summed up by N. A.
423 Voznesensky when he revealed that the Soviet government in World War II collected three times the annual amount of grain collected by the Czarist regime during World War I when "72 per cent of all marketed grain was concentrated in the hands of estate owners and kulaks." This threefold increase in marketable surplus

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[28] Dobb, p. 240. There were, of course, other factors which accounted for the meagre quantity of goods placed on the market by the private sector, in particular, the amount of State discrimination against the private farms.
[29] Harry Schwartz, p. 265. Schwartz writes with regard to this question: "Only the government's complete domination of the peasantry through the collective farm system made this sharp change in the amount of grain collected possible." (p. 313).
[30] Leonard Hubbard, *The Economics of Soviet Agriculture* (London, 1939), p. 123.
[31] Harry Schwartz, p. 285.

241 edly conscious of the fact that the extraordinary rapidity of Soviet industrial growth in the thirties was achieved partly at the cost of a greater disparity between industrial and agricultural development than was characteristic of the major Western nations.

241 185 The extent to which the Communists were prepared to permit a lag in agricultural progress was indicated, first of all, by the small portion of national resources the Plans allocated to agriculture. As shown in Table 20, the planned investment in agriculture averaged around 10 per cent of the total investment schedule. In evaluating the figures in Table 20 it should be remembered that, with the exception of Czechoslovakia, the economies of Eastern Europe were primarily agricultural. Furthermore, in the period of the Plans, an increasingly large share of the land came under the control of the State, whose investment policy is here under scrutiny.

Another indication of the conscious purpose behind Communist agricultural neglect is to be found in the Plan targets set for farm commodities. As Table 21 indicates, the Plans provide for approximately four times as great an increase in the production of producer goods as of agricultural goods. And while a 50 per cent increase in agriculture is not negligible, it represents a goal the Communists, on the basis of Soviet experience, knew they could not possibly fulfill.[11]

TABLE 21

433 PLANNED FIVE YEAR PLAN PRODUCTION INCREASES
(Poland – Six Years)

Country	Producer Goods	Consumer Goods	Agriculture
	(Year preceding Plan = 100)		
Bulgaria (1948-53)	328	273	137
Czechoslovakia (1948-53)	230	170	153
Hungary (1950-54)	380	245	154
Poland (1950-56)	254	211	150

[11] The underfulfillment of agricultural and light industry targets in the USSR had become almost a tradition, and the East European Communists certainly were conscious of this heritage. They must have known, too, that the failure to fulfill the targets set for non-heavy industrial production did not stop the Soviet planners from setting targets far beyond possible attainment in the next plan (see Harry Schwartz, pp. 305-329). This adamant refusal to bring non-heavy industrial targets into the realm of reality was part of the dogma, firmly held up to Stalin's death, that the rapid expansion of heavy industry did not in any way deter the development of light industry, a dogma which was patently false, but one which for reasons of public safety, had to be upheld.

5; Free Europe Committee U-4 (no date) 1954 E1 Europe E1

In pre-war Soviet Plans the targets for consumer goods and agricultural products were invariably underfulfilled, despite the fact that the targets were always set much below those for industry. Indeed, so slight was Communist concern for consumer goods and agriculture that the same targets were frequently repeated in successive Plans.[12] Since we have seen that the Eastern European Communists were deeply influenced by the Soviet experience, it can be assumed that they had few real illusions concerning their capacity to fulfill even those relatively modest targets set for consumer goods and agriculture. "While industrial production in 1953 compared with 1948," said the Czechoslovak Premier Viliam Siroky, "will increase two-fold, agricultural production during the same period will increase only one-third, and will still be below pre-war levels."[13] But the frankest admission of this planned economic disproportion was made by the then Premier, Antonin Zapotocky, in 1949.

> We must rid ourselves of any fond illusions that a rise in the standard of living may be regarded as a necessary corollary, or even ought to precede the successful implementation of the Plan. The exact opposite is the truth: In order to make it possible that our material and cultural level be raised, it will first be necessary to fulfill the Plan . . .[14]

Zapotocky's concise formula was carried out to the letter, as the chronic inadequacy of the urban food supply showed. A similarly candid discussion of the alternatives was given by Hilary Minc, Chairman of the Polish State Planning Commission. His effort to speak frankly on these questions was part of a debate among Polish Communist leaders during the winter of 1951-52. Collectivization had been halted some time in mid-1951; and the question of regaining Communist initiative on the land was evidently being discussed. Minc told a meeting of the activists of the Party Central Committee on October 9th, 1951 that the low level of agricultural production was due to the growing discrepancy between agricultural and industrial production, and therefore he concluded that the acceleration of collectivization (and the further widening of the gulf which it implied) would only intensify the difficulties.[15] Minc was answered on January 9th, 1952, by Eugeniusz Szyr, his deputy

[12] See, for example, Dobb, p. 292.
[13] *Rude Pravo* (Prague), September 16, 1953.
[14] Quoted in *News from Behind the Iron Curtain* (Free Europe Press, New York), December, 1953, p. 6.
[15] Report to the meeting of activists, Central Committee of the Polish Workers Party, October 9, 1951.

5: Free Europe Committee U-4 (no date) 1954 E1 Europe E1

433 in the Planning Commission, who said that the discrepancy between
185 agriculture and industry was "legitimate and in accord with the general conditions of the developing productive forces."[16] In a *Nowe Drogi* article published in February 1952, the then President, Bierut, put the final stamp of disapproval on Minc's analysis of the agricultural failure by stating that "the low production in agriculture cannot be explained by conditions and objective reasons." In other words, it was not, he said, the Government's policy which was responsible for the agricultural lag, but the ineptness with which the policy was being implemented by officials.[17]

Bierut answered Minc by denying that an agricultural lag was a necessary corollary of rapid industrial expansion. It is doubtful that he actually believed this to be true, but in order to justify the increased pace of industrialization it was necessary to maintain this dogma. By reiterating the dogma, Bierut ended this brief, but very significant argument; soon full-scale collectivization was resumed in Poland.

Later in 1952, Bierut again complained of lagging agriculture, citing figures to show the widening disproportion (see Table 22). The "rate of increase of agricultural production remains far below the needs of the economy," he said, but he steadfastly refused to acknowledge that the breakneck industrial pace might be responsible.[18] As events turned out, the figures he cited to show agricultural insufficiency decidedly overestimated future agricultural produc-

TABLE 22 *

PRODUCTION IN POLAND – BY SECTOR
(1949 = 100)

	1949	1950	1951	1952	1953 (Planned)
Socialist Industry	100	131	152	192	258
Agriculture as a Whole....	100	111	106	115	150

* B. Bierut, Report at the "Plenum of the Central Committee of the PZPR," June 14-15, 1952.

[16] *Nowe Drogi*, December, 1951, p. 35.
[17] *Nowe Drogi*, February, 1952, pp. 7-8.
[18] *Trybuna Ludu* (Warsaw), November 6, 1953.

n.[19] Undoubtedly, Bierut was conscious of the fantastic optimism 433
the planned 50 per cent increase in agricultural production by 185 ●
53; but he could not admit it until the 1953 New Course released
n from some of the extended industrial targets which had made
e agricultural lag necessary. In his speech to the Central Com-
ttee Plenum in October 1953, Bierut vindicated Minc's original
alysis, and acknowledged that the simultaneous expansion of
th agriculture and industry at the planned pace was impossible.

Since the New Course constituted a partial repudiation of the
ogram of ever-increasing economic disproportion, Communist
aders felt free to admit the gravity of the situation created by
eir previous policies. Gheorghiu-Dej, the Romanian Premier, for
ample, declared:

> The rate of industrialization has been forced, especially as regards heavy industry, which led to the establishment of too large a volume of capital investment in comparison with the national revenue, exceeding even the provisions of the Five Year Plan.[20]

other words, the bureaucratic machine tended to distort the
vestment schedule even more than called for in the Plan. "As the
sult of the allocation of too large capital investments for heavy
dustry," Gheorghiu-Dej continued, "agriculture—surely one of the
incipal branches of the national economy—and consumer goods
ve not been supplied with sufficient funds . . ." In Bulgaria, the
sproportions were apparently as pronounced as those in Romania
t, for a variety of reasons, Bulgarian Premier Vulko Chervenkov
d not feel it necessary to criticize them so sharply. But he too,
his September 8, 1953 New Course address, complained of the
rious lag in consumer goods and agriculture resulting from the
nbalanced investment program.[21] The most dramatic revelation of
gricultural neglect in the Satellite area came from Hungary in
remier Imre Nagy's speech of July 4, 1953, in which he condemned
the most severe terms the hitherto-accepted policy of heavy
dustrial emphasis.[22] Unlike the other Satellite leaders, who tended

[18] In actual fact the planned targets for 1952 and 1953 were not even partially
lfilled. Instead of 115 per cent in 1952, only 104.9 per cent was reached;
d instead of 150 per cent in 1953; only 109.0 per cent was reached
(*Gospodarka Planowa* [Warsaw], No. 12, 1953, p. 10).

[19] *Scanteia* (Bucharest), August 23, 1953.

[20] *Rabotnichesko Delo* (Sofia), September 9, 1953. At the 6th Congress of
e Bulgarian Communist Party, both Chervenkov and the Chairman of the
tate Planning Commission, Georgi Chankov, acknowledged that agriculture
d seriously lagged behind industry (*Rabotnichesko Delo*, March 2, 1954).

[21] *Szabad Nep* (Budapest), July 5, 1953.

493 to treat the growing economic disproportions as an *aberration* of
185 the Plans, or at least of the intention of the Plans, or an unfortunate and inexplicable oversight, Nagy clearly assigned responsibility for the failure to the leadership itself. Bierut and Gheorghiu-Dej phrased their announcements of the New Course in such a way as to hint that the agricultural failure had been the result of official policy, but they hedged considerably. Th.. extremely critical economic situation in Hungary of 1953 forced Nagy to treat the past policy with a frankness which was not as apparent elsewhere. But despite the reticence elsewhere, it was clear that the growing disproportions were the result of deliberate Communist application, with slight variations, of the formula stated by Zapotocky in 1949.

665 The most striking proof of the secondary role which agricultural development played in Eastern Europe is the general weakness of the Communist political apparatus in the countryside. In this respect East European Communists followed closely in the Soviet footsteps, where approximately 85 per cent of the kolkhozes were without a Party organization in 1949.[23] In Poland, Jacob Berman admitted, 43 per cent of the *villages* were without a Party organization altogether,[24] and elsewhere in the block the situation was no better.[25]

The absence of strong and viable Party units in the countryside reflects the unwillingness of the Communist leadership to assign its best technical and administrative personnel outside heavy industry, as well as the natural gravitation of rising bureaucrats—many of them, after all, drawn from the countryside itself—to the comforts of city life. Throughout the Soviet sphere the composition of the Communist Parties has become increasingly identified with the new managerial bureaucracy and, consequently, the Party units tend to exist in those places where the concentration of technicians is greatest.

This partly explains why implementation of the New Course in 1953-54 has made it imperative that the Party organizations in the countryside be strengthened. The East European regimes have

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[23] Merle Fainsod, *How Russia Is Ruled* (Cambridge, 1953), p. 454. Fainsod also notes that only 17.7 per cent of the Party members in the predominantly agricultural Ukraine were engaged in agricultural pursuits.

[24] *Trybuna Ludu*, November 6, 1953.

[25] See the speeches of the Czechoslovak Minister of Agriculture, Jindrich Uher (*Rude Pravo*, December 19, 1953), and the Hungarian Minister of Agriculture, Andras Hegedus (*Szabad Nep*, December 31, 1953).

5: Free Europe Committee U-4 (no date) 1954 E1 Europe E1

CHAPTER V

OLD FAILURE AND NEW COURSE (1953)

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1. *The System in Crisis*

The year 1953 constituted a major turning point in the development of agricultural policy throughout the Soviet sphere. Repercussions were felt from the most remote *kolkhoz* in Siberia to the most backward mountain farm in Albania. For the first time since 1928, when the initial Communist collectivization drive was launched, the powerful Communist mechanism for intensifying exploitation of the peasantry was halted and a period of concession, retrenchment, and cautious retreat was ushered in.

Unlike previous pauses in the Communist offensive against the peasantry — in 1930, 1935, and 1941-5 — the 1953 "readjustment" was acompanied by a revaluation of the entire relationship between agrarian policy and industrial expansion. The 1930 Stalin "Dizziness With Success" speech signified only a temporary pause in the first Five Year Plan; the 1935 decree enlarging private household plots represented only a slight reorganization of the still fluid *kolkhoz* structure; and the relaxation of 1941-45 was due largely to the special exigencies of World War II. None of the concessions made during these periods (with the possible exception of the wartime years) were as broad in scope as those of 1953; and none were offered as an integral part of a concern for mounting disproportions afflicting the entire economic life.

The elaboration of post-Stalin agricultural policies serves not merely as a climax to the indictment of the Communist land program, but as a sharp cleavage in the history of collectivization through which its inner character might be most acutely analyzed. This study has therefore, drawn heavily upon the flood of frank speeches made by Communist leaders in the second half of 1953. Their candor, like the correspondence which attended the Tito-Stalin

5: Free Europe Committee U-4 (no date) 1954 E1 Europe E1

dispute in 1948, illumine areas of conflict and difficulty hitherto only guessed at.

The causes of agricultural retrenchment were various and a full exploration of them is not appropriate here. But from the multiplicity of probable causes, two basic facts may be singled out: First, the poltical readjustment which took place following Stalin's death brought about a number of organic changes in the Communist movement. The precise nature of the changes generated by the sudden loss of Stalin is little known, and even less understood; but clearly they had very important social and economic implications. Some of the most oppressive and aggressive features of Communism, feasible when Stalin was at the helm, were evidently not feasible when in the hands of a "collective leadership." Stalinist policies had resulted in the growing economic disproportions described above: the hysterical drive for industrialization, the steady decline of the standard of living, and the stagnation of agriculture, conditions which may be considered the secondary causes of the New Course, insofar as the death of Stalin made it imperative that drastic steps be taken to alter them.

To the very eve of the New Course in 1953, the traditional Stalinist agricultural offensive was in full swing. Indeed, in Czechoslovakia, Hungary, and especially in Poland, collectivization drives were reaching their greatest pitch in the spring of 1953. The slogan, "liquidation of the kulaks," was generally accepted, and the entire peasantry subjected to ceaseless harassment. In the Soviet Union the decline of livestock population between 1950 and 1953 reflected the harsh spirit of the last years of Stalin's life. The basic measure of success was heavy industrial production; the keynote was the increasing obedience and discipline demanded at the 19th Party Congress; and the tone was set by the Slansky trial in Prague at the end of 1952, and the arrest of the Kremlin doctors in Moscow at the beginning of 1953.

The New Course therefore represented a sudden break in the rising curve revealed by these events. Between Stalin's death in March and Imre Nagy's astounding New Course address in Hungary in July, the governments of almost every Communist country made various minor concessions which presaged the more drastic

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[1] For a detailed exposition of the events of 1953 leading up to promulgation of the New Course, together with an analysis of current trends, see "New Policies in the Soviet Sphere" (Free Europe Press: New York, November 1953).

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reforms to come. Amnesties were declared in Soviet Russia and Romania, the imprisoned American correspondent, William Oatis, was released in Czechoslovakia, the aggressive anti-Tito line of the preceding years was modified everywhere, and in East Germany reforms were announced which, because they communicated regime indecision to the people, touched off the famous June 17th revolt. This revolt, and an earlier, perhaps more significant one in Czechoslovakia, seem only to have accelerated the pace of change in the sphere. By October 1953 New Course policies had been announced by all of the Communist countries (with the exception, of course, of China). "We must note, and we must state frankly before the whole country," said the new Hungarian Premier Imre Nagy, "that the objectives of the augmented Five Year Plan are beyond our strength"[2] "We must adopt . . . a considerably reduced tempo of industrialization which will enable us to step up output of consumer goods and ensure a still greater development of agriculture," the Bulgarian Premier Vulko Chervenkov said on September 8th.[3] "It has become clear," said Czechoslovak Premier Viliam Siroky on September 15th, "that certain targets of the extended Five-Year Plan for heavy industry were too high."[4]

The agricultural policy pattern that emerged in the middle of 1953 varied from one country of the Soviet sphere to the next. Yet everywhere, with the possible exception of Hungary, where the crisis assumed a special severity, the new policies were essentially the same. Polish Premier Bierut explained in his New Course address in October that it was:

> . . . no mere coincidence that the . . . problem of what the emphasis of our future economic development should be . . . has appeared today with equal force and timeliness in all countries of the Socialist camp.

These similarities in pace and timing, he explained, arise,

> not only from the identical character of social changes taking place in these countries but also from the basic similarity — in spite of certain differences — in the class structure of the countries which are engaged in Socialist construction.[5]

The "social changes" of which Bierut spoke were the growing economic disproportions, the vast expansion of an industrial plant at the expense of living standards and agricultural prosperity. The

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[2] *Szabad Nep* (Budapest), July 5, 1953.
[3] *Rabotnichesko Delo* (Sofia), September 9, 1953.
[4] *Rude Pravo* (Prague), September 16, 1953.
[5] Quoted by S. Jedrychowski, *Nowe Drogi* (Warsaw), No. 10, 1953.

"problem" the New Course had to grapple with, as Bierut stated it, was to determine "what the emphasis of our future economic development should be." Clearly the "problem" could only be solved by modifying past emphases, and this meant, first of all, a new policy toward agriculture.

In Bulgaria, where over half the land is in the "Socialist sector," the New Course has had the least impact; in East Germany, on the other hand, where capitalist elements are still plentiful, the post-Stalin reorientation had its most pronounced effect. In Poland, where collectivization had proceeded very slowly and cautiously up to 1953, the New Course signified only an abrupt halt in the land offensive, but little retreat. In Romania, where collectivization had also been modest in scope, the reforms were broader, producing a plethora of decrees and resolutions. In Czechoslovakia and Hungary, where the pace of collectivization had been rapid and stormy, the New Course brought about a reversal of the aggressive policies, a sharp reversal in Hungary, a slighter one in Czechoslovakia.

The national variations were great; but the basic features of the New Course were areawide:

1. An attempt is being made to increase the proportion of national resources alloted to agriculture. "We must teach our people," said Polish theoretician Jacob Berman, "after this long period of concentration on heavy industry, to achieve a balance between heavy and light industry."[6] The State budgets for the year 1954 announced in Bulgaria, Czechoslovakia and Hungary reflected this shift in emphasis.[7]

2. The effort to increase the agricultural produce available to the cities by further peasant exploitation has been halted. Greater emphasis is to be placed upon the use of material incentives, rather than on administrative pressure, in increasing total agricultural yield. "We must," said Berman, "put on the market goods which the peasant is interested in purchasing," since, as he explained, the increased supply of goods for the cities was to be partially the result of an "increased supply of consumer goods to the countryside."[8]

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[6] *Trybuna Ludu* (Warsaw), November 6, 1953.
[7] In Hungary, for example, the 1954 State budget plans for doubling the proportion of total investment allocated to agriculture (Report of Bela Szalai to the Hungarian National Assembly, January 22, 1954). Elsewhere, the increase is more modest but nevertheless significant.
[8] *Trybuna Ludu* (Warsaw), November 6, 1953.

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3. Consequently, the policy of collectivization, designed to insure a steady supply of goods to the cities without much payment in return, loses a large part of its meaning, and the collectivization drive itself is halted. While it is true that collectivized farming is still officially considered the highest form of agrarian organization,[9] the revised economic plans of the Satellite regimes do not intend appreciable extension of the "Socialist sector." Indeed, the goal of increasing the standard of living precludes, for some time, the resumption of any Communist land offensive.

4. Similarly, the New Course has made something of an anomaly of the traditional practices of the Communist land offensive: the division of the peasantry into antagonistic groups, the discrimination against the independent peasantry as a whole, the compilation of "kulak lists." These techniques, which were so well adapted to the collectivization campaign, lose much of their meaning in the new atmosphere. Again and again Communist leaders admonish their bureaucracy to cease treating the peasant as an "enemy" and everywhere but in Bulgaria it is now openly declared that the independent peasantry must be relied upon for the major portion of the agricultural produce.[10] Violent anti-kulak campaigns must also be relinquished as long as the regimes are interested in agricultural production and not merely in agricultural redistribution. Therefore, the post-Stalin regimes call for "limitation" of the "kulak" rather than his "elimination."[11]

5. Since increased agricultural production is the urgent and immediate necessity, and since increased administrative force cannot be used to obtain it, incentives for the peasant must be broadened. Delivery quotas are reduced; delivery prices are increased; taxes and fees of all sorts are lowered; and arrears in many categories are canceled. The pattern is nowhere identical; but in each country most of the same devices were employed.

"We must understand," said Berman, [that the new policy] "is going to cost a large sum of money. If the peasant gets this money but doesn't get any goods for it, including those which he

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[9] See, for example, the Bierut speech at the 2nd Congress of the Polish Workers Party (PZPR), March 10, 1954.

[10] "We shall not and must not force anybody to join agricultural cooperatives, and we also do not think that the private farmer represents our enemy, we consider him our ally" (Czechoslovak President Antonin Zapotocky, *Rude Pravo*, February 23, 1954).

[11] See, for example, Gheorghiu-Dej., *For a Lasting Peace*, November 6, 1953.

really wants . . . there will be no increase in [agricultural] production." Therefore, a dual policy of increased payment for agricultural goods and increased production of vitally needed farmers' commodities is instituted.

6. An attempt is being made to redress the balance so far as the concentration of techniques is concerned. A vigorous effort to detach technicians from cities and urban industries and to send them to farms for whose direction and assistance they were ostensibly trained, is being made in conjunction with the new plan.[12] This is true everywhere in the Soviet sphere, especially in Poland the USSR, and Romania.

7. If the New Course is designed partly to consolidate the existing agricultural structure, it must be revaluated in terms of long-range perspectives. Hence, those collective farms which have the least social stability and economic viability are permitted to return to the private sector. In Czechoslovakia, where some 40 per cent of the farms were not paying their own way, according to Premier Siroky, a small percentage of the farms were permitted to disband in the fall of 1953.[13] In Yugoslavia, where hundreds of collectives in mountainous areas produced very little and served only as a drain on the State treasury, almost half of these farms have been dissolved since 1951.[14] And in Hungary, where peasant dissatisfaction was so great that, even with a police-State normally equipped to handle discontent, it constituted an element of such basic instability that almost half of the collectivized households have left the "Socialist sector."[15]

Above all, the New Course represents an effort to stabilize and consolidate the system of relationships carved out by the East European regimes. The next few years are likely to witness a concentrated Communist effort to make a smoothly-functioning economic order out of the conquests already gained, rather than sweeping away present problems by posing future challenges, as they have done in the past.

The New Course does not, by any stretch of the imagination,

[12] The program of reinforcing the technical assistance to the countryside has encountered considerable resistance from the technicians themselves, and, indeed, in the USSR, the government complains that many technicians who go to the countryside refuse to take their families with them, so convinced are they that the new assignments are temporary (*Pravda*, November 27, 1953).
[13] *Rude Pravo* (Prague), November 10, 1953.
[14] *Borba* (Belgrade), February 29, 1953.
[15] *Szabad Nep* (Budapest), December 31, 1953.

5; Free Europe Committee U-4 (no date) 1954 El Europe El

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represent a repudiation of the agricultural organization pioneered by the Soviet planners in the early 1930s and brought to Eastern Europe in the late 1940s. The basic characteristics of this organization cannot be abandoned without the most thoroughgoing reorientation of the whole economy. The New Course cannot therefore be compared with the New Economic Policy of early Soviet history. The NEP was declared before the Soviet industrial and bureaucratic system had been built, and a retreat to a relatively free market system was possible. The New Course, on the other hand, has been promulgated within the framework of an already fully-elaborated industrial and bureaucratic system, and the regimes can no longer rely upon the free market for agricultural produce.

Having built this social system and enclosed themselves within it, the East European Communists have lost much of the freedom of choice and flexibility which aided them so greatly in their post-war assumption of power. Therefore, they are subject to the internal laws of the system, and it is doubtful whether they can make a success of their efforts to reorient its basic relationships. The authoritarian order is well adapted to the leadership of a rapidly expanding heavy industrial, semi-military economy, but it is badly equipped to handle the problems of small-scale agriculture and consumer demand. In nine months of operation, the New Course has already made it clear that the greatest obstacle to stabilization of the Stalinist social order comes from the social order itself, and its voracious demands.[16]

Prior to the introduction of the New Course, it was widely assumed that the East European Communist drive to emulate Soviet achievements was inexorable, and required only time for completion. In particular, it was assumed that the Satellite regimes could not rest until collectivization was completed, as if the Communists could not face themselves ideologically with one independent farm remaining. But the events of 1953 have highlighted the degree to which Communist agricultural policy has been, from the start, conditioned by the bedrock economic needs of a developing social structure, rather than by the abstract demands of rigid doctrine. Indeed, even the Soviets, whose collectivized agriculture had attained the state of "near-perfection" and completion toward which

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[16] For an extensive discussion of internal bureaucratic resistance to the New Course see "The Bureaucracy Wavers," *News from Behind the Iron Curtain* (Free Europe Press, New York), January, 1953.

the East European Communists were striving, are in the process of readjusting the structure in line with the new political relationships.

No doubt the present *modus vivendi* between the peasantry and the Communist regimes is precarious and unstable, at best an uneasy truce between essentially antagonistic social forces. But there is good reason to believe that the Communists are determined to keep this mid-way course for some time to come, with only minor wavering within the ranks.

3. *"Salami Tactics" and the New Course*

The development of East European Communism since World War II has been dominated by the pragmatic methods of "salami tactics," the theory expounded by Hungarian ex-Premier Rakosi, which justified pursuit of any social or economic program that reinforces Communist political power. The advocacy of land reform facilitated Communist absorption of the State machine in 1945-46, and therefore became approved Communist "agrarian policy." Similarly, since advocacy of a productive middle peasantry may help to facilitate Communist retention of power in 1953-54, it has become approved Communist "agrarian policy." At each stage, the Communists speak as if no other policy had ever been considered, and as if no other policy could possibly be.[17] As always, however, their primary concern is with power, and their ideological pronouncements tailored to suit it. The New Course is a development very much within the spirit of the "salami tactics" philosophy.

The success and failure of Communist agriculture policy in Eastern Europe may be attributable to these same "salami tactics." This strategem of slow suffocation made possible the seizure of power under circumstances unsuited to "classic" revolutionary forms; and it was well suited to a political apparatus incapable of a frontal revolutionary attack. The policy of slow, piecemeal land collectivization made possible the extension of the "Socialist sector" at a pace which did not arouse the united antagonism of the peasantry at any one time, thus avoiding the type of militant resist-

[17] See above 91-2 for a brief discussion of official explanations of change in policy. Considering the importance of changes in policy emphasis in 1953, it is remarkable that the Communists have made so few attempts to analyze their past performances. The official definition of "Socialism" itself was altered during 1953 (see Fogarasi, *Tarsadalmi Szemle* (Budapest), September-October, 1953), and to this date not a single Communist theoretician has acknowledged the fact.

7:Gluckstein S-4 (no date)1952 El Europe El

CHAPTER V

THE ECONOMIC PLANS OF THE SATELLITES

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ALL THE satellite countries have introduced economic Plans. These plans are of two kinds: the short-term plans, which ran from 1947 to 1948-9, whose aim was recovery, and the long-term plans, which began in 1949 or 1950, whose aim is to raise production considerably above the pre-war level. Yugoslavia alone did not undertake the two kinds of plans but started with a Five Year Plan (1947-51), while Rumania has not yet gone beyond the scope of one-year plans (she intends to introduce a Five Year Plan in 1951). Let us examine the main features of the plans.

The long-term plans have very ambitious targets of output. They fix an annual increase in the gross national product of 8 per cent in Czechoslovakia, 10 per cent in Hungary and Poland, 12 per cent in Bulgaria and 14 per cent in Yugoslavia. As regards the annual increase in manufactured products, it is 9 per cent in Czechoslovakia, 11 per cent in Poland, 13 per cent in Hungary, 17 per cent in Bulgaria and 37 per cent in Yugoslavia.

To arrive at a correct conception of what these percentages mean, it is necessary to know on what basis these percentual calculations have been made. For instance, the industrial production in the U.S. and British Zones of Germany rose between December, 1946, and December, 1948, by 137 per cent, or on a yearly average by 68.5 per cent, but this in itself does not signify any really spectacular achievement for Germany, since in December, 1946, the level of production was exceptionally low, and even after the increase of 137 per cent, it did not reach the pre-war level. It is difficult to discover what is the exact starting point from which the plans of the Eastern European countries set out, as there is very little

7:Gluckstein S-4 (no date)1952 El Europe El

185 433 information available on the subject. It is known that the agricultural output in the basic year was, in percentage of pre-war output, in Bulgaria, 70 per cent; in Czechoslovakia, 80 per cent; in Hungary, 85 per cent; in Poland, 70 per cent; in Yugoslavia, 69 per cent. As regards the industrial output in the basic year, it was, in comparison with the pre-war level, in Czechoslovakia, 102 per cent; in Poland, 133 per cent; in Bulgaria, 170 per cent. As far as Poland is concerned, it must be borne in mind that the addition of the 'Regained Territories' doubles her industrial capacity. It is not known how much weight is given in the plans to industrial as compared with agricultural output in the total national output. The rise of the total national production would have been considerably less proportionately if any year *before* and not *after* the war had been chosen as the basic year, since agricultural output in the 'basic year' was in each country below the pre-war level of output and industrial output was above while only a small minority of the population was engaged in industry.

In addition, it is obvious that in general any calculation in percentages of the rise of output that does not take into consideration the absolute magnitude of the basis will paint a rosier picture the more backward the country is. Thus if Yugoslavia's Five Year Plan envisages an increase in the output of crude steel of 223 per cent in 1951 above the level of 1939, it might leave the impression that the achievements of Yugoslavia's steel industry will be four times greater than that of the United States between 1937 and 1948, when she increased her output by 56 per cent. But if the achievement of the industries of the two countries is described in absolute magnitudes, a totally different impression is given. The production of Yugoslavia's steel industry will rise, if the Plan is fulfilled, from 240 thousand tons to 760 thousand tons, i.e., by a little more than half a million tons; while that of the U.S.A. rose from 51.4 million tons to 80.3 million, i.e., by 28.9 million tons. André Philip, French delegate to the Economic Commission for Europe, illustrated this point by saying that his grandson had recently cut a second tooth, thus increasing his dental production by 100 per cent—but he still had less teeth than most people.

There is another aspect to the question. Figures of the rise in output, when the amount of investment or disinvestment is

7:Gluckstein S-4 (no date)1952 El Europe El

not taken into account, can be misleading. If the owner of a factory does not renew its machinery, buildings, and so forth, but instead builds a new factory which is equal in value to the depreciation of the old, then the *immediate* result is that two factories are producing instead of one, and the output rises, although the amount of his capital remains unchanged, and after the total depreciation of his old factory, output will decline to the level of only one factory. The same principle holds good for the countries of Eastern Europe, where the rise in output over the past few years has not been accompanied by a parallel increase in the investment of capital. In some cases, it has even been accompanied by disinvestment, as the following table, dealing with agriculture, shows:

	Level of Agricultural Production			Estimated Net Investment in Fixed Capital in Agriculture and Fisheries (in million dollars, 1938 prices)	
	Index numbers. 1934-8 = 100				
	1946/7	1947/8	1948/9	1947	1948
Bulgaria ..	67	71	—	−13	−11
Czechoslovakia	80	62	80	−21	−19
Hungary ..	57	67	85	−11	−5
Poland ..	46	59	70	−5	11

(U.N. *Economic Survey of Europe in 1948*, Geneva, 1949, pp. 17, 51)

(In order not to get a false picture one should bear in mind that the negative balance of investments in agriculture in fixed capital may have been offset by an increase in livestock, which is not included in the figures).

Another example of the same phenomenon is the textile and clothing industry of Poland. This showed a big rise in output in 1947, and at the same time a net disinvestment of 10 million dollars in 1938 prices (Ibid. p. 53).

Another factor must be taken into account. In the backward conditions of Eastern Europe, even a small addition to the net investment may bring about a disproportionately large addition to the output, the more so—in the short run—if certain whole new industries are built while other plants or branches of industry are starved of capital.

Even with these reservations, the investment plans of the countries of Eastern Europe should not be underestimated, though the statistics are really related to gross new investments (without depreciation being taken into account). In absolute figures the targets were:

7:Gluckstein S-4 (no date)1952 El Europe El

185
652

CAPITAL EXPENDITURE
(MILLION DOLLARS 1948 PRICES)

Country	Period	Total	Yearly
Poland	1947-9	1,950	650
	1950-5	—	—
Czechoslovakia	1947-8	1,340	670
	1949-53	5,800	1,160
Hungary ..	1947-9	570	190
	1950-4	2,200	440
Rumania ..	1949	450	450
Yugoslavia ..	1947-51	2,900	580
Bulgaria	1947-8	221	111
	1949-53	850	170

(Ibid. p. 203)

Thus every year a gross investment is planned of about 4 thousand million dollars in 1948 prices. This is a tremendous figure, making up about 20-25 per cent of the national incomes of these countries. Such a large investment, of course, places a heavy burden on the shoulders of the population.

How do these investment targets compare with actual investments in other countries? The gross annual investment, according to the Plans, will be about 45 dollars (at 1948 prices) per head of population. As against this in 1948 the *net* investment *at 1938 prices* (which are about half of 1948 prices) in the countries of Western Europe was: Norway 55 dollars, Sweden 42, United Kingdom 36, Denmark 32, Netherlands 27, France 16, Belgium (1947) 16, Italy 10. (Ibid. p. 48). Thus compared with investments in Western Europe the investments planned in Eastern Europe are not very spectacular.* To realise them will require great sacrifices on the part of the populations and yet are far too small to help, in the foreseeable future, to bridge the gap between the levels of development of Western and Eastern Europe.

The magnitude of the investments planned fall short of these countries' needs of rapid industrialisation. This is clearly revealed by considering the question of how many people will be absorbed in industry in proportion with the agricultural overpopulation and the natural increase of population. The Polish Plan fixes a total increase of 300,000 in the number of people

*This was reflected most clearly in a comparison of the actual net investments in fixed capital per head of population in 1949 (dollars in 1938 prices): Norway 59, U.K. 41, Sweden 36, Denmark 32, Netherlands 31, France 24; the corresponding figures for the countries of Eastern Europe were: Yugoslavia 12, Hungary 12, Poland 9, Czechoslovakia 8. (United Nations, *Economic Survey of Europe in 1949*, Geneva, 1950, p. 39).

7:Gluckstein S-4 (no date)1952 E1 Europe E1

in manufacturing industry, the Czechoslovak Plan an increase of 250,000, the Bulgarian Plan an increase of 90,000 and the Hungarian Plan an increase of 300,000 (including industries other than manufacturing). The U.N. Survey that gives these facts, remarks: 'These figures, if related to present employment in manufacturing, indicate a substantial increase. If, however, the figures are related to the total populations of the countries, they are less striking. In the four countries mentioned, additional employment in industry over the plan period accounts for only 1 to 2 per cent of the total population, which in itself is expected to rise by some 5 per cent in the same period' (p. 206).

On many points the plans are silent. Unlike Russia's first Five Year Plan or the plans of the Organisation for European Economic Co-operation for Western Europe, the Plans of the 'People's Democracies' contain no information about foreign trade either among themselves or between each of them and Russia, or the West. They also blur over the question of how the total national income will be divided between consumption and accumulation (investment), but contain only some scattered information about the planned consumption of some particular goods. This silence speaks volumes. The non-publication of information about foreign trade is intended to cover up the exploitation of these countries by Russia; the non-publication of information about the division of the national income between consumption and accumulation is intended to cover up the exploitation of the masses under the banner of industrialisation.

This last point about the division of the national income between consumption and accumulation is of vital importance when we attempt to discover the factors determining the living conditions of the masses. Burdened with a terrible backwardness, an autocratic bureaucracy and the yoke of Russian imperialism, industrialisation will inevitably be carried out in such a way that compulsory savings will far surpass what the people themselves would be ready to save of their own free will. In such circumstances, consumption must be subordinated to accumulation, as the experience of Eastern Europe over the past few years (and of twenty years' planning in Russia) has clearly shown. The following table illustrates the 'capital

7:Gluckstein S-4 (no date)1952 El Europe El

434 starvation' of the industries producing consumption goods, while the new capital investment is directed into the capital goods industries:

ESTIMATED NET INVESTMENT IN FIXED CAPITAL IN INDUSTRY IN 1947
(MILLIONS OF DOLLARS IN 1938 PRICES)

	Hungary		*Poland*	
Food processing, etc. ..	−1.7		−1.4	
Textiles and clothing ..	0.5		−10.0	
Leather and rubber ..	0.1	−1.5	0.2	−11.7
Paper and printing	−0.4		−0.5	
Timber and timber products	−0.1		0.2	
Building materials, etc. ..	−0.7		−1.0	
Metals and engineering ..	5.3	5.8	7.4	13.6
Chemicals	0.5		6.2	
Total manufacturing ..	3.5		1.1	

(Ibid. p. 53)

This is a foretaste of the future.*

185 433 As regards agriculture the Plans for all the countries, except Poland, provide that the output shall exceed the pre-war level, by about a sixth in Czechoslovakia and Hungary, and a third to a half in Yugoslavia and Bulgaria. In Poland it may not exceed its pre-war level in present territory. (Ibid. p. 206).

*In U.S.S.R. the relatively great lag in industries producing means of consumption behind those producing means of production is shown by the following official data of the division of the gross output of industry:

DIVISION OF GROSS OUTPUT OF INDUSTRY INTO MEANS OF PRODUCTION AND MEANS OF CONSUMPTION (IN PERCENTAGES)

	1913	1928	1932	1937	1940	1942 (Planned)
Means of production	33.3	32.8	53.3	57.8	61.0	62.2
Means of consumption	66.7	67.2	46.7	42.2	39.0	37.8

It is very difficult to check the *absolute* change in the production of different means of consumption. In Russian statistics a number of simple tricks are used to describe the situation in more glowing terms than is true. The output of a number of consumption industries is given only in monetary terms; the production of the small factories which, till 1928, made an important contribution to the production of means of consumption, is not included.

Official statistics can therefore show a tremendous rise in the output of shoes, which, however, cannot be squared with the facts. The number of animals slaughtered annually after the big 'collectivisation' drive never reached the number slaughtered previously, as it was not until 1938 that the total number of livestock reached the 1929 figure (in 1929 cattle numbered 68.1 million, in 1938, 63.2; sheep and goats numbered 147.2 and 102.1 million respectively). At the same time the surplus of imported hides, skins and leather over exported was 54.3 thousand tons in 1928 as against only 15.6 thousand tons in 1938. Only Stalinist statisticians can produce the 'miracle' of tripling the number of leather shoes out of a decreasing quantity of leather. The Russian government, relying on the 'short memory' of the people, or more correctly on the oppressive machinery which ensures that past memories remain unuttered, adds insult to injury. While promising a tremendous rise in the production of means of con-

7:Gluckstein S-4 (no date)1952 El Europe El

A technical revolution in agriculture is also planned for the coming few years (except in Yugoslavia). This is shown by the tremendous rise in the number of tractors:

ACTUAL AND PLANNED NUMBER OF TRACTORS IN RELATION TO ARABLE LAND

Country	*Year*	*Number (thousands)*	*Arable land per Tractor (hectares)*
Poland	1946	5.5	3,000
	1955	76.5	220
Czechoslovakia	1946	11.8	460
	1953	45.0	120
Hungary	1947	11.9	490
	1954	21.0†	280
Rumania	1948	11.0	850
	1949	12.5	740
Bulgaria	1946	4.6	920
	1953	10.0	430
Yugoslavia	1946	4.0	1,800
	1951	4.5	1,710
Total	1946	44.9	1,100
	Last year of plan	169.5	290

(Ibid. p. 208). †state tractors only.

Agriculture will be reorganised on the new technical basis, state and co-operative farms replacing the small peasant farms.

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sumption with every Five-Year Plan, it fixes the actual target of the Plan at a volume of production which does not exceed the target of former Plans. This is shown clearly by the following table:

TARGETS OF PRODUCTION FOR THE END OF THE FIVE-YEAR PLANS

	First 1932-3	*Second 1937*	*Third 1942*	*Fourth 1950*
Some Means of Consumption				
Cotton goods (milliard metres) ..	4.7	5.1	4.9	4.7
Woollen goods (million „) ..	270	220	177	159
Linen (million metres)	500	600	985	—
Vegetable oil (thousand tons) ..	1,100	750	850	880
Sugar (million tons)	2.6	2.5	3.5	2.4
Some Means of Production				
Electric Current (million kwh.) ..	22	38	75	82
Coal (million tons)	75	152.5	243	250
Pig iron (million tons)	10	16.0	22	19.5
Steel (million tons)	10.4	17	28	25.4
Oil and gas (million tons) ..	21.7	46.8	54	35.4

(Actually in the territory of the U.S.S.R., in 1913, 2,854 million metres of cotton goods and 95-110 million metres of woollen goods were produced; in 1937 the corresponding figures were 3,181 and 98).

Therefore, when the Russian government boasts that 'in 1950 we will reach the level of 4.7 thousand milliard metres of cotton goods' it does not prevent them from having made the same promise twenty years ago, when the population of U.S.S.R. was about fifty millions less than now.

7:Gluckstein S-4 (no date)1952 El Europe El

423 474 [185] The Eastern European governments will avoid such damaging twists and turns.[1] According to the Plans, the technical basis for collectivisation will be much better prepared than it was in Russia. In 1933 in Russia, when 65.6 per cent of the peasants were in kolkhozes, there was one tractor per 615 hectares of arable land. When the current Plans are completed, the *minority* of peasants in the satellite countries will be in co-operative farms while there will be one tractor per 290 hectares. The co-operative farms in the 'People's Democracies' are leaving the majority of the livestock to the peasants as their private property, and are even compromising with the private interests of the peasants on the question of co-operative cultivation of the land, as can be seen from an examination of the types of co-operative farms in these countries.

In Hungary there are three types of co-operative farms:

1. The lowest, in which ploughing and sowing alone are done collectively while further cultivation and harvesting are done by the individual peasants. Draught animals or machines for the ploughing and sowing are obtained from the members or from the nearest State Tractor Station. In the former case, the members who own the draught animals or machines are paid a customary rent for them. Each member pays the cost of ploughing and sowing according to the quantity and quality of land he owns.

2. The intermediary type is similar to the lowest type except for the fact that harvesting and threshing are also done collectively.

3. In the highest type all the land is pooled for common cultivation, except for about two acres which are kept by each member as his private plot. Members are paid wages according to the amount and quality of work they do and rent according to the quantity and quality of land they contributed. No more than 25 per cent of the profit may be set aside for rent.

In Russia the peasant belonging to the lowest form of 'co-operative farm'—the kolkhoz—is allowed less private property than members of the highest form in Hungary. In many districts no kolkhoznik is allowed to own more than 0.6 acres, in others 1.2 acres and, in a small number of districts,

[1] [See category 116, p. 115 -- Analyst]

7:Gluckstein S-4 (no date)1952 El Europe El

Warsaw will be liberated . . . Polish soldiers and the Red Army are coming to assist you.' (Quoted by L. M. Oak in the American *New Leader*, November, 13th, 1944). 669

Even more monstrous than the description of the rising as untimely is its condemnation as reactionary and fascist in character. If the Warsaw uprising had really been reactionary the Kremlin's attitude to it would have been very different. It is enough to recall the goodwill manifested to General Béla Miklós of Hungary and King Michael of Rumania. Russia was hostile to the Warsaw uprising precisely because it was quite independent of Communist influence, was dominated by the P.P.S. and was a socially progressive movement.

After the military defeat of September, 1939, which marked the disintegration of the dictatorial semi-fascist regime of the 'Colonels', the workers and peasants, organised in the P.P.S. and in the Peasant Party, became the backbone of the underground army, called Armia Krajowa (A.K.), the Home Army. The extreme right did not belong to the A.K. but to the National Armed Forces (Narodowe Sily Zbrojne). Military units of the P.P.S. and the Polish Peasant Party joined the A.K. and retained their identity as autonomous units. The clandestine parliament—the Council of National Unity—relied mainly on the workers and peasants.

The programme of the Home Army was described in its underground organ, *Biuletyn Informacyjny* of 9th September, 1943, in an article entitled 'What Kind of Poland are we Fighting for?' This clearly stated that the future Poland must have 'freedom of speech, freedom of opinion, freedom of association; it will be a Poland of social justice and welfare for the wide masses, liberated from capitalistic chaos; a Poland which will nationalise its great factories and plants; a Poland which will fundamentally transform its agrarian regime, modernize its system of distributing goods, expand its network of co-operatives and industrialize the country'. 185 669

On 15th August, 1944, after the Warsaw Commune's 15 days' existence, the Council of National Unity issued a manifesto to the people which included the following statement:

'In this war, Poland is not only fighting for her existence and political independence, but also for loftier aims. The Atlantic Charter, which defined the military aims of the United Nations,

7:Gluckstein S-4 (no date)1952 El Europe El

assures to Poland its legitimate aspirations and its historic needs. Threatened by repeated aggression of imperialist Powers, she must be certain of security and the possibility of working in peace for generations. She wants to be able to govern herself according to her own principles and laws. These principles have already been published in the declaration of 26th July, 1944. They guarantee the regime of the future Republic based on political liberty and social justice.

'The principles of the Polish democratic Republic are as follows:

'1. A constitution guaranteeing governments in accordance with the will of the people.

'2. A democratic electoral law faithfully reflecting public opinion through general and municipal elections.

'3. Agrarian reform covering all estates of over 50 hectares as well as German landed property determined by a preliminary decree; the surplus population being directed towards industry and handicrafts.

'4. Socialisation of key industries.

'5. Participation of the workers in the management of enterprise and control by the workers of industrial production.

'6. All citizens have the right to work and to a decent standard of living.

'7. A just redistribution of the social income.

'8. All citizens have the right to education and culture.' (Zaremba, *La Commune de Varsovie* (Fel.) Paris, 1947, pp. 39-40).

Although the Warsaw uprising had basically a national-liberatory and social revolutionary character, it nevertheless had many negative, reactionary elements in its leadership. The P.P.S. leaders, with their inclination to compromise, and in the name of 'national unity', agreed to keep the military leadership in the hands of army experts headed by General Bor-Komorowski. The Russian Government let Hitler murder the rebels of Warsaw, not because their commander came from the old Polish Army, but because the rebellion was an expression of new forces, nationally and socially independent of the Kremlin.

7:Gluckstein S-4 (no date)1952 El Europe El

the ultimate liberation of Croatia, Bosnia, Slovenia, etc.—all this was an enormous contribution of the Yugoslav Army in the struggle for the establishment of unity among the peoples of Yugoslavia.' The unity of the peoples and their equality was symbolised in the fact that a Croat (Tito) led the revolt in Serbia, a Serbian Jew (Moše Pijade) led the rising in Montenegro, and a Montenegrin (Vukmanović) led the partisans in Macedonia.

This policy explains the phenomenon that military units of Italians, Hungarians and even German partisans fought in Tito's army. A large number of Italian soldiers joined the Partisans after the fall of Mussolini and formed the Garibaldi Volunteer units which were large enough to consist of a number of divisions. In the Slovene littoral, where Slovenes and Italians live side by side, Italian and Slovene Partisans formed common units, and Italians took an active and equal part in the work of the People's Committees, the embryonic administration of the new state. In spite of the cruelty displayed by the Hungarian occupation armies in the zone which they annexed, a cruelty greater even than that of the German armies, Tito succeeded in recruiting a battalion of Hungarian volunteers, the Petöfi Sandor battalion. There was also a Czech battalion in the Partisan Army. In July, 1943, a campaign was launched to enlist members of the German minority living in Yugoslavia in the Partisan army and this campaign met with some success, a Volksdeutsche battalion being organized to fight with the Partisans.

The social programme of Tito's Partisans was conservative. The Anti-Fascist Council of National Liberation (A.V.N.O.J.) —the Partisans' parliament—at its first meeting in Bihać on 26th November, 1942, proclaimed a programme, two of whose points were:

'The inviolability of private property and the providing of every possibility for individual initiative in industry, trade and agriculture.

'No radical changes whatsoever in the social life and activities of the people except for the replacement of reactionary village authorities and gendarmes who may have gone over to the service of the invaders by popularly elected representatives truly democratic and popular in character. All the most

7:Gluckstein S-4 (no date)1952 El Europe El

668 important questions of social life and State organisation will be
185 settled by the people themselves through representatives who will be properly elected by the people after the end of the war.'

These aims were constantly reiterated by the Partisan press and radio during the remaining three years of the war.

To illustrate the conservative character of the Partisans' social programme, it is only necessary to quote the oath taken by the new Croat volunteers: 'I swear by God Almighty and by all I hold dear that on my word of honour I shall always be true to the traditions of my ancestors. I will always fulfil trust towards the Croat people and will defend with my blood my national home from the German, Italian and Hungarian oppressors, and the traitors of my people. So help me God'. (Radio Free Yugoslavia, 13th June, 1943).

To reinforce this appeal to tradition a confessor or chaplain (vjerski referent) was attached to all the large military units.

668 This policy met with opposition from some members of the Communist Party of Yugoslavia. An uprising in July, 1941, in Montenegro raised the banner of 'Soviet Montenegro', and in Herzegovina, deviations from the Party line by the Party organisation called forth harsh criticism from Aleksandar Ranković, one of the foremost leaders of the Party and today Minister of the Interior. (*Proleter*, December, 1942). In spite of some leftist deviations, however, the Bihać programme was consistently implemented until the liberation of all Yugoslavia.

668 Until the end of 1944, no social changes or changes in
471 property ownership were introduced. On 14th February, 1945, Vice-Premier Kardelj insisted in a broadcast that in her economic structure Yugoslavia had not abandoned and would not abandon the general framework of capitalism.

The Bihać programme could be adhered to with comparative ease because the areas in the hands of the Partisans were those to which social conservatism was most acceptable. Both the most industrialised parts of Yugoslavia, Slovenia and Northern Croatia, came into the Partisans' hands only at the end of 1944 or beginning of 1945. The area in which there was a considerable number of rich peasants and German settlers, whose land would have been suitable for redistribution among the poorer peasantry, was also in the North. Thus until the end of 1944 or beginning of 1945 there were not many capitalists

8: Black S-4 (no date) 1954 El Europe El

most continuously. As minority groups, the peoples of Eastern Europe tended to suffer from discrimination at the hands of the governments whose territory they inhabited and, once they were infected with the spirit of the enlightenment, national liberation came to be regarded as the solution to all their problems. Significant reforms were indeed carried out in the nineteenth century within the existing political framework, but the road to reform was obstructed by many obstacles. Although national liberation almost inevitably means revolution and war, it appeared to many Eastern European leaders to be preferable to the available alternatives. The diplomatic history of Europe was, in fact, punctuated by great crises as one province after another broke loose from the Ottoman empire, and when this process culminated in the First World War and the liberation of the remaining peoples of this region, it was widely regarded as a logical step in human progress.

The leaders of Eastern European opinion did not regard national liberation as an end in itself, but rather as the best means for promoting the modernization of their peoples. This aim was stated in many different ways, some speaking of education, others of freedom, and many more of economic welfare. This is certainly a much broader objective than the principle of free and equal trade enunciated by Wilson, but that principle was an essential prerequisite to modernization in the view of the American president. In general terms it would not be unfair to say that the goal of Eastern European leaders in the last two centuries has been to raise the spiritual and material level of their peoples to the European standard established by England, France, Germany, and their smaller neighbors. This interpretation of their goal is certainly very generalized, yet it represents more accurately the aspirations of this region than do the specific programs of individual leaders or schools of thought. The fact that this objective has not yet been attained is fundamen-

8: Black S-4 (no date) 1954 El Europe El

tal to an understanding of the problems of Eastern Europe, and much of the political extremism of this region can be traced to the frustrations resulting from this failure.

The most obvious reason for the failure to achieve a European standard, and probably also the most important, has been the persistent necessity of giving priority to national security over human welfare. This problem has, of course, been faced by all modern states, but it has affected the peoples of Eastern Europe to an unusual degree. It would not be too much to say that the insecurity of these states, due more to regional factors than to size, has been the source of most of their difficulties. Of the various solutions that have been attempted, including national opportunism, alliances with great powers, regional pacts, and participation in the League of Nations, none has met the special needs of the situation.

I

The European wars resulting from the French Revolution and the Napoleonic conquests infected the leaders of the Eastern European peoples with the modern spirit of nationalism and liberalism, but the peace settlement concluded in 1815 did little to satisfy the hopes that had been aroused. The peoples of this region remained under the firm rule of the Romanov, Habsburg, Hohenzollern, and Ottoman dynasties, and before long the process of national liberation came to occupy their principal energies. Of the many national groups in this region, only the Serbians and the Montenegrins achieved any measure of independence before 1815, although the Magyars occupied within the Austrian monarchy a position of special influence. The remaining nationalities in this region had not yet taken the first steps towards independence. The struggle for freedom lasted for a full century, and was a complex process in which the

8: Black S-4 (no date) 1954 El Europe El

With certain notable exceptions involving injustice to new German, Magyar, and Ruthenian minorities, the boundaries were drawn about as close to linguistic frontiers as economic and geographic viability permitted. The trouble lay less with the peacemakers than with the principle of national self-determination, especially when applied without the two compensating factors stipulated in Wilson's program: free trade and international organization. The shortcomings of this un-Wilsonian settlement were serious, and cast a long shadow over the next generation. Central among these shortcomings was the exaggerated emphasis on the spirit of exclusive state nationalism, a natural but in the end disastrous consequence of the prolonged concern with national liberation. This spirit, in its postwar manifestations, became an obstacle to the solution of the many boundary disputes, raised protective trade barriers around the new states to the point of self-strangulation, and prevented the organization of a sound system of collective security.

II

Although the hope of the Eastern European leaders for the spiritual and material development of their peoples was placed increasingly in national liberation, it should not be forgotten that in the century after 1815 the peoples of this region made significant gains in the process of modernization. This process, considered as the expansion of human rights within a framework of increasing productivity and distribution in all branches of the economy, developed at an uneven rate in the different parts of Eastern Europe. In the broadest sense, modernization may be considered as the transition from a feudal and agrarian to a democratic and industrialized society, and in this region it involved certain characteristic steps. The most important of these steps were: the growth in human rights, of which the political

8: Black S-4 (no date) 1954 El Europe El

were by far the most important; the increase of educational opportunities and general culture; and the development of the economy through agricultural improvement and the expansion of industry and trade.

Political freedom in Eastern Europe before the First World War ranged in degree from negligible rights, as those of the Slovaks in Hungary or of the Poles in Russia, to independent states with constitutions of strongly democratic tendencies, as in certain countries of Southeastern Europe. The latter had been influenced by Western models, and made provision for parliamentary government based on wide suffrage. The constitutions of Serbia, Rumania, and Bulgaria, drafted in the latter half of the nineteenth century by native statesmen experienced in the ways of Western constitutionalism, were founded on a genuine faith in democracy. It is true that royal or ministerial authoritarianism and resort to rough methods were not uncommon in these countries, yet the social egalitarianism already prevailing in Serbia and Bulgaria was a strong force for democracy in these countries. Although illiteracy and political inexperience remained a serious obstacle to orderly government, the generation before the First World War offers significant examples of governments being changed by orderly democratic procedures. Illustrative of the difficulties under which popular elections with universal male suffrage were conducted is the fact that in the Bulgarian election of 1880 only 32 per cent of those eligible to vote cast their ballots, in contrast to about 80 per cent in France and Belgium and 60 per cent in Germany and Italy in the period 1875-80.

Hungary had a longer tradition of constitutional government than did the Balkan states and after 1867 was in most respects an independent state, but its social structure was more conservative and its desire for political democracy less evident. Moreover, the Magyar achievement of political autonomy was marred by the oppressive treatment of the

8: Black S-4 (no date) 1954 El Europe E1
Soviet Union R1

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1947 but not to the years following. The period of the New Economic Policy in Russia was called "the period of a certain revival of capitalism"; in reality, it was a kind of retreat of communism from economic difficulties.

E. 656 185 423

In the captive countries there was no "period of revival of capitalism." Since the very inception of communism, there has been a systematic liquidation of all private property, carried out in premeditated fashion within the limits of existing conditions and possibilities. In the beginning, the question of private property arose only in regard to small trade, dwelling houses, building, crafts, and, in a larger degree to peasant farming. Hence, the Communists advocated the principle of a three-sector economy, composed of state economy—after an immediate nationalization of medium and heavy industries, landlords' estates, and forests—of cooperative economy, and of private economy.

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The fact that this period, the traces of which we still find in the constitutions of the captive countries, was planned from above as no more than a transitional period, is best proved by the accusation leveled against the former Communist Vice-Premier of Poland, Gomulka, at the meeting of the Central Committee of the Communist Party in Warsaw, in 1948. Gomulka was told then that his main guilt was not that he agreed to the principles of the three-sector economy but that he acted according to these principles. It was explained to him then that he had proceeded as though he wanted to keep the system although he knew that it was transitional.

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In 1947, after the falsification of the elections and the destruction of the opposition of the independent peasant parties in Bulgaria, Rumania, Hungary, Yugoslavia, and Poland, the Cominform was established and Communist policy abandoned its nationalist line and adopted the line of internationalism. A special declaration of the differences between Communist internationalism and the "cosmopoli-

8: Black S-4 (no date) 1954 El Europe El

cause the land was becoming exhausted. This was due to a lack of manure and fertilizer and to the peasants' ignorance of land preservation techniques.

Labor remained so cheap that the introduction of labor-saving devices did not pay. Overpopulation meant that there were more people living on holdings than were needed for the farm work. This situation caused underemployment. Since overpopulation decreased the output per man and with it the earnings per man, a very low standard of living resulted.

The size of the farms, which on the average was barely ten acres, was a problem in itself, and the custom of dividing land after the death of a peasant made the situation even more acute. The holdings consisted of many small and scattered strips so that it was impossible for the peasant to use machines, even when they were available. However, the land reforms, carried out after the First World War by the different governments, did have some success in equalizing the amounts of land held by the different peasants.

The land reforms grew out of political and national considerations rather than out of social and economic policy. The first and main objective of the agrarian parties was to expropriate the big landowners and to transfer their land to the peasants. The usual procedure was to fix a maximum acreage, usually about five hundred acres, and to decree that all land in excess of this amount should be sold to peasants, either to create new farms or to add to the area of peasant farms already in existence. Under these reforms, about twenty-five million acres were distributed, for the most part in quite small plots, averaging one hectare, or 2.4 acres. The smaller farms were given more land than the large, so that there was some leveling of the incomes derived from farming.

These reforms did not remedy the unhappy condition of the peasantry, since they were unable to remove the main causes for distress. If all the agricultural land of this region

8: Black S-4 (no date) 1954 El Europe El

had been distributed equally among the peasants, the main result would have been the equalization of poverty. It was obvious that redistribution of the national income and wealth could not, by itself, greatly improve the condition of the people. The surplus agricultural population which was estimated, on the basis of the system of cultivation prevailing in that area, to be about fifteen million persons had to be absorbed, and that was an insoluble problem. This problem was heightened by the fact that between 1919 and 1939 the natural increase of population in this area remained almost three times as high as that in the West.

Some alleviation of the situation was sought in the development of industries. However, industrialization was a long-term measure, and the expense only added to the peasants' burden. The fiscal policy of the Eastern European states was to accumulate the national capital necessary for industrialization by taxes, tariffs, and prices. No money, or very little, was left for the peasants.

II

It would be unjust, however, to say that nothing was done to improve the lot of the peasantry. The governments were well aware that the land reforms should be supplemented by economic measures such as agrarian credits, modern cooperatives, development of transport, cheaper farm machinery, technical education and training. A great deal was accomplished by these measures.

The supply of credit was particularly important to the peasants. The need for capital to begin operations and to finance certain family needs, especially the weddings of daughters, made borrowing necessary. As banks would not make advances, money had to come from moneylenders who charged very high rates of interest. Often, the moneylender was the middleman who bought the peasant's produce

8: Black S-4 (no date) 1954 El Europe El

and supplied him with goods. Frequently he had a strong and pernicious hold on the peasant.

Therefore, the cooperative movement began with the foundation of credit societies which formed a very large proportion of all cooperatives. Besides these, there were cooperative societies which supplied agricultural needs such as tools and seeds, traded agricultural products, and processed all sorts of produce. In Bulgaria, Hungary, and Rumania the cooperative movements were state-controlled. In Czechoslovakia the movement was independent but favored by the state; in Poland, beginning with the economic depression of the 1930's it was state-supported and therefore dependent.

The cooperative problem was a difficult one. On the one hand, cooperation among economically weak peasants could not succeed unless there was some collaboration with, or help from, the central authorities. On the other hand, such a relationship between strong and weak tended to develop into state domination of the cooperative movement.

The administrators of the cooperatives sometimes abused their prerogatives. They would occasionally grant government loans, not in response to genuine needs or because of commercial considerations, but with a view to the substantial number of votes which one cooperative society could guarantee at election time. In some instances, cooperatives served only well-to-do peasants because some governments were opposed to the social revolutionary ideology of the smaller peasants. In Rumania the cooperative societies were forced to assume the function of the tax collector. In Hungary the cooperatives belonged to the peasants in appearance only. In reality, they were capitalist enterprises and were not in peasant hands.

Except in Czechoslovakia, agricultural cooperation did not play any decisive role in the economic life of the peasantry, nor was it able to alleviate the existing adverse

3: Black S-4 (no date) 1954 El Europe El

Russian *kulak*. The village rich are not allowed to enter a collective or are expelled if they become members. A merciless battle is being waged to ruin them. They are being liquidated as peasants, removed from villages, and sent to mines or to industry or concentration camps. There are roughly thirteen million peasant families in Eastern Europe, more than one million of which are *kulaks*. The children of all these families must lose the individualistic traits of their peasant heritage: that is the Communist aim.

Large-scale industrialization plans, for military purposes rather than for consumer production, are being pushed forward with great vigor in all Eastern European states and new labor is required in great numbers. *Kulaks* and other class enemies are an obvious source for this labor. By tapping this source, the surplus agricultural population will be disposed of and the people with individualist outlook gradually destroyed. If there is a shortage of workers in agriculture, as for instance in Czechoslovakia now, industrial workers already persuaded to the collective way of thinking can be utilized.

The term *kulak* has come to mean anyone who is against collectivization, and all *kulaks* are to be destroyed. The process of destruction is quickly changing the status of the agrarian population in this region. The agricultural population is decreasing and, according to estimate, does not amount today to more than 45 per cent of the total population. This decrease is the political consequence of collectivization and not its economic or social result. The collectivization policy itself cannot solve the old problem of rural overpopulation but can only aggravate it. The real aim of Communist collectivization is not to solve this problem but rather to destroy the peasantry.

Agriculture, like the other divisions of economic life, has been dictated by state plans which prescribe to the peasant what crops are to be grown and what animals are to be bred.

241 The peasants do not like regimentation and therefore the
• 185 Communist economic plans have not brought about any increase in agricultural production.

208 The collectivization policy has further aggravated the situation. The peasants hate even the word "collective." They go about their work with indifference or with fear and hatred. Their aversion to coercion, dictatorship, and controls, their attachment to their land, and their pride in independence, have neutralized all the advantages of large-scale production with its mechanization and its use of modern agricultural methods. The Communist belief that large-scale operation would bring about efficient agricultural production has not materialized.

262 Agricultural production is decreasing. Eastern Europe
433 used to be a very large exporter of all agricultural products,
241 but it is suffering from shortages today. Food is scarce in these agricultural countries. Before the Second World War, nine out of ten residents of Czechoslovakia were nourished by the produce of Czechoslovakian agriculture. There were no rations. Everybody could buy what he wanted, and the standard of living in Czechoslovakia was the highest in Eastern Europe. Today, according to official Communist pronouncements, every second man in Czechoslovakia, despite strict rationing, has to be supplied from abroad. Milk, butter, and eggs are not distributed to adults at all, and even sugar is in short supply. Czechoslovakia, once the largest exporter of beet sugar in Europe, today cannot provide its diminished population with sugar although it has nearly 15 per cent fewer inhabitants than before 1938 due to the expulsion of the Germans. Bulgaria and Hungary, which had great surpluses of all agricultural products before the last war, must now import foodstuffs for their starving populations. Agricultural production in Eastern Europe has not yet attained the prewar level, although the free farms of Western Europe have surpassed it considerably.

8: Black S-4 (no date) 1954 El Europe El

vention possible. They usually claimed that this intervention was necessary "to save the country from the total chaos in which it was driven by the unsatisfactory operating of democratic institutions." What was even worse, new regimes were supported often by the Western democracies who used the unjustifiable excuse that "no other solutions were possible."

Despite the mistakes and failures of the democratic regimes, today even the most bitter opponents of peasantism must admit that the peasant parties, as political organizations, were stalwart champions of democratic government and did not, in general, support the established dictatorships or their undemocratic methods.

The greatest achievement of all the peasant groups was that of the Bulgarian Agrarian Union. From its modest beginnings in 1896, the Union grew steadily. In the first postwar elections it received a strong relative majority in the National Assembly, and in the elections of April 1923, 212 deputies out of 245 were allotted to the Agrarian Union. At the relatively early date of October 1919, the first Bulgarian peasant government of Aleksander Stambolisky was formed. The most significant of its numerous political and economic achievements was the agrarian reform based on the principles that the land should be the property of those who till it and that every peasant is entitled to only as much land as he and his family are able to cultivate. In spite of the certain weaknesses and deficiencies of this peasant government which contributed to its downfall, its democratic basis cannot be denied. Its reforms converted Bulgaria into a country of small and medium peasant holdings which, despite the forcible overthrow of the peasant regime in June 1923, remained unchanged until the end of the Second World War.

In Czechoslovakia, the Republican Agrarian Party was the strongest party in the Parliament and the most important pillar of the Czechoslovakian democracy. After the political

8: Black S-4 (no date) 1954 El Europe El

liberation of the Czechs and the Slovaks in 1918, the party's main goal was to secure economic and social prosperity for the Czech and Slovak peasants, chiefly by promoting cooperative organizations and by defending the interests of the peasant populations. The party averaged forty-five deputies on all national elections and cooperated with other democratic parties in the governments of the Republic. The President of the Party, Antonin Švehla and his successor, Milan Hodža, were for many years Prime Ministers of the Czechoslovakian governments.

The Croatian Peasant Party, established in 1904 by the brothers Ante and Stjepan Radić, reached its full political importance in the first postwar elections in Yugoslavia. This was in November 1920, and at that time the party became the undisputed choice of the Croatian people. In all free parliamentary elections since then, the Croatians, and especially the Croatian peasantry, have cast their votes in overwhelming majority for this political group. The principal aims of the party's program were Croatian national independence and social and economic justice. When the president of the party, Stjepan Radić, was assassinated in June 1928, Vladko Maček, who heads the party today, was elected president. In its political struggle, the party has opposed violently the Yugoslav centralism favored by the majority of Serbian political groups, and has been outlawed twice as "dangerous for the interests of the state." In August 1939, a compromise that opened the door for a just settlement of the Serbo-Croatian dispute was reached with the Regency of the Kingdom of Yugoslavia and with certain of the Serbian political parties.

The beginnings of the Polish peasant movements date back to 1905, when the first Polish peasant associations were organized in Galicia under the leadership of Wincenty Witos. With this as an initiative, the Polish peasant party, *Piast*, was founded in Cracow in 1913. During the First World War,

8: Black S-4 (no date) 1954 El Europe El

in the Russian part of Poland, another peasant party, *Liberation*, was born. Its leader was Stanislaw Thugutt. This party emphasized the solution of social and economic problems, demanding primarily an extensive land reform and distribution of the land to the peasants. In liberated and united Poland, these two peasant groups united in 1920 to become the strongest individual Polish political group, but later, in May 1923, one faction dissented. Witos was repeatedly elected Prime Minister and was holding this position in 1926 when the military *coup d'état*, executed by Pilsudski, put an end to democratic government in Poland. In 1928, during the dictatorship, all peasant political groups fused in a united peasant party under the leadership of Witos and Mikolajczyk, but, because of the undemocratic regime, this group was never permitted to take part in Poland's political life.

Although it may be argued that the embryonic stage of peasant organization in Serbia started in 1882 under the influence of the socialist ideas of Svetozar Marković, it is more correct to say that the first truly peasant movement in Serbia began in 1905 with the actions of Milislav Kurtović. In 1920, in the new state, Yugoslavia, the Agrarian Union of the Serbians, Croatians, and Slovenes was established, under the leadership of Joca Jovanović. The Union had little success among the Croatian and Slovenian peasantry, and was later known as the Serbian Agrarian Party. It recruited its followers mainly from the Serbian peasants in Serbia, Bosnia, and northern Dalmatia. The party was in the difficult position of being obliged to compete politically with two well-established Serbian parties, the Radicals and the Democrats. The provisions of the electoral law were unfavorable to the smaller political formations and, for this reason, the party was hindered from obtaining a proportional number of deputies in national elections. In June 1938, after the death of Joca Jovanović, Milan Gavrilović was elected the new president of the party.

8: Black S-4 (no date) 1954 El Europe El

665 The initiative for a peasant organization in Rumania was
185 given in 1907, in Jassy, Bessarabia, by Constantine Stere,
642 who was influenced by Russian Populism. The Rumanian Peasant Party was formally founded in 1919, and Ion Mihalache was elected its President. In 1926, the Rumanian National Party from Transylvania, led by Iuliu Maniu, and the Peasant Party of the Old Kingdom fused into one political group known as the Rumanian National Peasant Party, which became the strongest political organization of the country. In the elections of 1928, the overwhelming majority of votes were cast for this united peasant front, and a peasant government was formed with Maniu as Prime Minister. This party brought about some administrative, economic, and social reforms which aimed at the assurance of the progress of the Rumanian state. Unfortunately, the peasant rule was definitely handicapped by the international agrarian crisis which was at its peak during the period of the peasant government. The party's position was further aggravated by its continuous struggle with the liberals and by numerous intrigues of the Crown calculated to destroy the unity and vigor of the peasant group.

665 Because of specific conditions which existed in Hungary, the organization of the peasantry commenced relatively late. Sandor Czismadia made the first attempt to organize the landless peasants on the principles of agrarian socialism in 1896, but the genuine peasant movement was initiated by István Nagyatádi-Szabó in 1908. The movement grew in strength after the collapse of the first Communist regime of Béla Kun, but its original success and its hopes for the future were skilfully suppressed by the Hungarian ruling class. It was not until 1930 that Zoltan Tildy and Ferenc Nagy undertook the revival of a truly peasant political organization. As a consequence, the Hungarian Smallholders Party was founded. This party fought valiantly against all the odds of the authoritarian Hungarian regime, but was not able to at-

8: Black S-4 (no date) 1954 El Europe El

178 per cent; and Czechoslovakia, 41 per cent. Thus it can be
162 easily seen that, with the exception of Czechoslovakia whose
241 industry was the most developed in the region, the countries of Eastern Europe were predominantly agricultural and peasant in nature. Yet despite the predominantly peasant character of these countries, the peasants as such had relatively little political influence.

178 Although there was an increase in the output of agricul-
241 tural goods in all these countries between 1918 and 1945,
511 the competition offered by overseas cereals strongly affected the agriculture of Eastern Europe. Cereals, one of the major products of the region, had to be undersold to Germany. Added to this unfortunate situation, the world depression of 1929 came as a terrible blow to the economy of Eastern Europe, the most disastrous years lasting from 1931 until 1934. Industry, with its frequent cartels, was better able to defend itself than was agriculture, and thus the "price scissors," or the disparity between agricultural and industrial prices, cut mostly into the income of the agricultural population. This resulted in a general lowering of both the purchasing power and the standard of living. Loans at high rates of interest were frequent and taxation increased the poverty of the peasants. These, as the major element of the population, pressed heavily for reforms and spread malcontent in their respective countries.

• 185 Soon after the First World War, some states realized that
167 the solution to this situation was industrialization. Emigra-
433 tion, as a possible solution, was not favored in any of the Eastern European states as it would have decreased manpower. Since war was considered more or less imminent after 1933, military and industrial groups were especially opposed to any large-scale loss of population, although emigration was never prohibited by actual government order.

185 Bohemia, which had been in a highly advantageous posi-
433 tion in the industrialization program of Austria before the

8: Black S-4 (no date) 1954 El Europe El

First World War, was the only well-developed industrial region and provided the foundations of the industrial economy of Czechoslovakia. Poland and Hungary had some valuable industries which aided their development considerably. In the other states, industrialization made slow progress and often operated on an unsound basis. Many plants were erected, the products of which were not related to the needs of the respective countries. National welfare was often neglected and industries were built for the enrichment of a few individuals. Not even mining was efficient. Mines were exhausted or were reopened mainly on the basis of sudden export needs and with no thought that the industries might convert the mineral raw materials into consumer goods. Hungary, where bauxite was sold to Germany and aluminum was repurchased at a high price, offers an excellent example.

Mining, metallurgy, heavy industry, and textiles were favored but they were not related to the purchasing power of the masses or to the production of raw materials. Because of the low production of textile raw material, large textile plants were run on imports. Cereals, livestock, and other agricultural goods were exported to balance the budget. Thus, much of the capital had to be spent on transportation expenses. The attention paid to agricultural industry was insufficient despite the fact that mineral raw materials, agricultural products, and timber were assets upon which a satisfactory program of industrialization could have been based.

The causes for this situation are to be found in the political instability of Eastern Europe and in the lack of sufficient skills and resources. It was a region of wars and insecurity where little nations faced each other with mistrust and fought each other as fiercely as they did the outside powers. Industrial policy between the two world wars was dependent on power politics. The policy of economic self-sufficiency, or autarky, was engendered by nationalistic as-

8: Black S-4 (no date) 1954 El Europe El

ulation showed any tendency toward decentralization, with 30 per cent of her total industrial population living in the district of Sofia.

The industrial population of these countries was occupied as follows: 25 to 30 per cent in the textile and clothing industries; 18 to 21 per cent in heavy and metallurgy industries; 11 to 22 per cent in the food industry; and 7 to 17 per cent in the lumber industry. A variation in industrial goods and in producing plants was found only in Czechoslovakia and Hungary, in southern Poland and Transylvania, and in the areas of the former Austro-Hungarian Empire.

One of the major problems facing the new governments in their industrialization programs was to equate the growth of the industrial working populations with improvement in industrial working and social conditions. Social legislation in the interwar period attained considerable progress in this direction. Prior to 1914 there already existed in Eastern Europe various social insurance and pension plans, and these were expanded between 1919 and 1939. Compulsory workers' accident and health insurance plans were introduced whereby both employers and wage earners contributed to a central fund to provide coverage for accident, illness, maternity, disability, old age, death, and unemployment. Generally speaking, the working day was reduced to eight hours, with a maximum forty-eight hour week, and the age minimum for child and woman labor was fixed at fourteen years or, in the case of heavy and dangerous work, such as mining, at sixteen to eighteen years. However, rigid application of these measures was far from universal.

A notable innovation was the establishment by the agrarian regime in Bulgaria of a compulsory labor service for the development of public works in place of the traditional military service which had been prohibited by the peace treaty. Expenditures in 1937 for social services for the entire region averaged 3 per cent of the estimated national in-

8: Black S-4 (no date) 1954 El Europe El

come. Once again, Czechoslovakia headed the list with 5.5 per cent while the Balkan countries devoted only 1.5 per cent of their national income to social services. In the same year the number of persons registered as unemployed in the various countries was as follows: Czechoslovakia, 408,000; Poland, 347,000; Hungary, 47,000; Yugoslavia, 21,600; and Rumania, 10,800.

A major consequence of industrialization and urbanization was the rapid growth both of an urban proletariat and of the bureaucracy. Those people who had been separated from their ancestral rural surroundings and traditions and often from the influence of their families became increasingly detached from spiritual matters and turned more and more towards materialistic and technical spheres. The number of bureaucrats grew rapidly and this resulted in political favoritism and in desk-level programs which very seldom touched the people of the countryside.

It cannot be said, however, that no progress was made or that standards of living were consistently low. It must be remembered that it was not until the First World War that many of these countries attained independence. A part of Poland had just emerged from Russian domination and certain areas of the Balkan states had just freed themselves from Ottoman rule. Even Hungary, Czechoslovakia, Croatia, and parts of Poland had been freed only recently from Austro-German political and economic controls. Under these circumstances, the progress made by these countries, notwithstanding failures and mistakes, was considerable indeed.

III

The states that had dominated this region before the First World War—Germany, Austria-Hungary, Russia, and the Ottoman empire—showed little interest in improving the educational standards of the large masses in Eastern Europe.

8: Black S-4 (no date) 1954 El Europe El

8 Industrial and Social Policies of the Communist Regimes

JAN H. WSZELAKI

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More than thirty years ago, Lenin defined Communism in Russia as Soviet power plus electrification. In our time, the essence of the situation in the countries of Eastern Europe is the Communist police state plus industrial revolution. Local or imported Communists, under the supervision of the Kremlin, have been for years in full control of all levers of power in these countries. Their basic aim in social and economic fields, just as it is in Soviet Russia, is a complete transformation of society through industrial revolution. To this supreme aim and supreme method, all other issues have been subordinated. The process of this industrial revolution with its many ramifications extends into all fields of human activity behind the Iron Curtain, influences the lives of all ninety million inhabitants of the captive countries proper, and will have profound consequences of moral, political, economic, social, and strategic character not only for these countries but for the world as a whole. From the European point of view, the industrial revolution of Eastern Europe is an outstanding historical event. comparable in its implications to the great wars of the present century. We are witnessing

8: Black S-4 (no date) 1954 El Europe El

the gradual decline of the traditional rural and mainly peasant structure of this part of Europe and the emergence of an industrial urbanized society. This transformation is now in full swing and will continue until it runs its course—no one can say when or how—or until external factors end the Russian control of Eastern Europe and its nations rid themselves of their own Communists. Even then, the industrial development of that area will presumably continue, though for different reasons and with vastly different methods. The Communist regimes may go, but the results of the industrial revolution will remain.

This essay is concerned with the effects of these revolutionary events on the social and economic development of the countries of Eastern Europe. To cover this involved subject adequately, much time and space would be necessary. The writer must limit himself here to the discussion of the few selected aspects of the problem that he regards as fundamental. Discussion of the industrial targets as established by the single countries in their long-range plans, half or more of which have already been achieved, cannot be included in this study.

Suffice it to say here that all over Eastern Europe the Communist regimes are modernizing the existing mines and industrial plants and are building scores of new mines and thousands of large new plants, mostly supposed to produce capital goods as a basis for further industrial production. The anticipated result of the present first series of long-range plans, expected to terminate in less than two years, will be a large increase in the extraction of fuel and the doubling, in some cases tripling and quadrupling, of the heavy industrial potential of the individual nations of this region, some of which had a large industrial output before the last war. This vast operation requires that great numbers of peasants be transferred from agriculture to industry, mining, and construction. Once carried out, the first series of plans is to be

8: Black S-4 (no date) 1954 El Europe El

185 433 followed by a second, with the targets again much increased. The preparation of these second five year plans has already begun. Their nature can be inferred from the electoral program of the National Front in Poland, published in the fall of 1952. The Warsaw regime proposes to raise the per capita industrial output of Poland by 1960 to ten times the by no means negligible standard of 1938. In other words, it intends that the Polish per capita industrial output shall surpass the present per capita industrial output of France. Other satellite governments probably have similar plans. Whatever may be thought about the feasibility of such grandiose plans, it should not be forgotten that under the Soviet regime Russia has evolved from a backward agricultural country, which it still was in 1928 when the first Five Year Plan was launched, into the second industrial power of the world, surpassing in total production Japan, France, Britain, and Germany.

The aims of enforced industrialization are several. The first is the numerical increase of factory workers who, as proletarians, are supposed to be not only the cream of society but convinced Communists as well. This early theory of the Soviet revolution, together with the term 'proletariat,' is falling into disuse. It has never been proven by facts: at other times and in other places, men entering the industrial process have not been inclined necessarily to become Communists, and there is no evidence that they are so inclined in the captive countries today. The second aim was defined on many occasions by Stalin. According to him, the Socialist transformation of society can be achieved and kept secure only by a steady growth in heavy industrial production, which at any given time must exceed the increase of light customer-serving industries and of agriculture. This rather abstract formula means, among other things, that in order to survive foreign aggression a Communist state or states must possess enough heavy industry to produce the necessary weapons at any given moment. Stalin's judgment was correct, though not

8: Black S-4 (no date) 1954 El Europe El

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necessarily Communist, since it applies to all states exposed to dangers from their neighbors. Another meaning of this formula is that Communist states cannot afford to depend on the non-Communist world for essential raw materials or machinery, since such imports might be stopped at the moment when they are most urgently needed. Consequently, a Communist state should produce these goods on its own. Here again, a distant echo of Russia's defeat during the First World War can be heard. Stalin seems to be saying that Communist Russia must never again be incapacitated or even hindered by industrial weakness. Indeed, his industrial Russia of 1941 withstood the German onslaught far better than had the imperial Russia of 1914.

The realization of this aim demands that all hitherto unused resources of manpower and dormant material wealth be utilized as rapidly as possible. At some future time these resources may well bring rich life to the people. But so long as the Soviet Union is encircled by potential enemies such resources must remain at the disposal of the state which defends "the social conquests of the revolution." The systematic realization of all these aims is assured through the consecutive five year plans for the development of the Soviet economy.

A year or two after the end of the Second World War, the Soviet Union felt certain that the West no longer had the means or desire to interfere with Soviet control of the so-called liberated nations of Eastern Europe. The countries of this region could be regarded henceforth as an extension of the Soviet Union proper, and their resources could be used for the achievements of the same aims as those of the Soviet Union. Under the transitory semi-Communist governments of that time, the captive nations showed enormous vitality in reconstructing their war-damaged economies. Since 1948-50 this vitality has been canalized into long-range industrial plans which have been synchronized with one another and

8: Black S-4 (no date) 1954 El Europe El

with the Soviet master plans. The captive nations were allowed to preserve the external attributes of sovereignty and their governments were granted an advisory voice in the preparation of these national plans. But the supreme control of the plans remained in the hands of Moscow, and their primary goal was, and is, rapid industrialization.

II

The possibilities of industrialization in Eastern Europe are considerable, but obviously not unlimited. They depend on the availability of manpower and its technical know-how, on industrial raw materials and machinery, on capital needed for investments, and on markets capable of absorbing the products of the new industries.

Before the last war, five million persons were employed in the mining and in the medium and large manufacturing industries of the six major countries of the area. Today this number exceeds nine million. There is a shortage of labor, both skilled and unskilled, in Eastern Germany and in the Czech part of Czechoslovakia. The reserves of manpower—land laborers, dwarf-farm owners, and married women—are limited in Hungary and the Slovak part of Czechoslovakia, large in Poland, and even larger in Rumania and in the three Balkan countries. The areas where labor is short coincide to a large degree with those of low natural increase of population, and vice versa. In the first period of reconstruction after the war, there was in many parts of the area a movement of the population from the villages to the towns in search of urban, not necessarily industrial, employment. For instance, in Poland alone, two and one-half million persons moved into towns during the first seven postwar years. This movement is now over, as well as the postwar enthusiasm for reconstruction, and the governments have to recruit new workers by propaganda and sometimes by half-coercion. Unless

8: Black S-4 (no date) 1954 El Europe El

tential in 1938 was, and still is, insignificant. It is claimed that in 1952 the industrial output of the area rose again by about one fifth.

An estimate of the relative industrial strength of the individual captive countries was made recently in a United Nations publication.[3] If the total industrial output of the area at the end of 1952 is taken as 100, the output of Eastern Germany constitutes 34 per cent of this total, that of Poland 27, of Czechoslovakia 21, of Hungary 9, of Rumania 6, and of Bulgaria 3 per cent. The total industrial output of the entire captive area is equivalent, roughly speaking, to nearly 40 per cent of the total industrial output of the Soviet Union.

All this rapid, even violent, industrial expansion cannot be smooth and is, in more ways than one, terribly expensive. There are no miracles in economics, and wealth can be created at different rates of speed, but not at will. The tremendous increase of the state-owned industrial plant in this area is only feasible because the citizens have been deprived of their individual capital, because the consumer demand is being systematically curtailed, and because more and more of the national income, siphoned off by taxation, inflation, and other methods, is being reinvested in industry. This reinvestment is being done at great cost to agriculture. Quantitative industrial progress is also speeded up by the fact that the police state has the means to make everyone work. The prewar urban unemployment and, to some extent, the huge peasant underemployment, caused by the extreme subdivision of rural property, are things of the past. Billions of man-hours which were wasted before the war in enforced idleness are now used for production or, at least, are on tap for production purposes. On the other hand, a large proportion of the men and women kept in concentration and labor camps

[3] *Economic Bulletin for Europe* (Geneva: United Nations, 1952), Vol. V, no. 2 (July, 1953), p. 84, Table 1.

8: Black S-4 (no date) 1954 El Europe El

produce litt'e, if anything, and the vast apparatus of standing armed forces, of police and poli ical supervision, of party machinery and propaganda, does not create wealth but consumes it. The onetime waste of unemployment has been partly supplanted by the waste of the immense state machinery of control and compulsion inherent in all totalitarian systems and particularly odious under Communism.

In addition to this costly political overhead, there are three other burdens to the national economies of these countries. One is the cost of planning both on a national scale and in minute detail, an economically unlikely proposition, resulting in duplication of work, omissions, bottlenecks, and other forms of economic confusion. This has been one of the main reasons why the Yugoslav Five Year Plan has never been fully realized. This type of waste can only be eliminated very gradually, if at all. The second type of waste is directly due to Communism. In the free world, private property is fairly generally respected and cared for by its owners and by the public at large. Public property, being the exception rather than the rule, also enjoys respect and cases of vandalism are few. In Eastern Europe, state property is the rule, and very few people give it proper respect. The Communists are aware of this general neglect and the ensuing injury to the economy but believe that in time society will be taught to take care of what is defined as people's wealth. However, during thirty-five years of Communism in Russia, there has been little progress in this direction. The third burden on the state economy is a specific feature of the countries of Eastern Europe. All of them have to pay heavy tribute to the Russian big brother. Russia exploits the captive nations in many ways: by reparations in kind, mixed companies, trade agreements, high prices for imports from Russia and low prices for exports to Russia, maintenance costs for Soviet troops, high salaries for Russian experts and advisers, and the like. These nations cannot express themselves on this topic, but

Black S-4 (no date) 1954 El Europe El

there is overwhelming evidence that they are aware of being fleeced by the Russians to the extent of hundreds of millions of dollars annually.

III

One of the main results of the existence of the Iron Curtain is the gradual integration of Eastern Europe into the Soviet economy. Under the present circumstances, Soviet Russia lays hands on many of the raw materials and industrial goods, both capital and consumer, that are put out by the captive countries. The realization of its economic plans depends in no small way upon these goods. The industrialization of this area also depends on imports and could not proceed at its present rapid rate without the importation of machinery and, more important, of raw materials from the Soviet Union, in particular from the Ukraine. These countries are meeting with restrictions on the importation of so-called strategic goods from the United States and from some other Western countries. However, even if there were no such restrictions, these countries would have difficulty in paying for imported goods, since they do not produce sufficient surpluses of goods that interest several of the most important Western markets, for instance, the United States, the British dominions, France, and possibly Western Germany. On the other hand, the capacity of the Soviet Union and China to consume goods produced by the states of Eastern Europe is practically limitless.

For all these reasons, in addition to political expediency, trade between this area and the Soviet Union has been increasing rapidly from year to year. Were it not for Soviet iron and manganese ore, colored metals, phosphate rock and sulphur, cotton, wool, and, in certain parts of the area, coke and pig iron, many metallurgical, chemical, and textile plants in the area would have to close down. Indeed, they will do

8: Black S-4 (no date) 1954 El Europe El

so if for some reason, general mobilization in Russia, for example, freight traffic with Russia is interrupted. To sum up, links have been created between these states and Russia which, because of the self-isolation of the latter, did not exist before the war and which would be difficult to sever in the future.

At the same time that economic links are being established between Eastern Europe and Russia, the individual states, in particular Eastern Germany, Czechoslovakia, Poland, and Hungary, are being economically integrated with each other. This is an inevitable result of the present process of the industrialization of these countries. Trade among them is also expanding constantly, and many plants are being erected by the technically more advanced states of the area on the territory of the less advanced. To quote but one example, the Czechs are building many electric and chemical plants in Poland, Hungary, Rumania, and Bulgaria. There are other forms of this interregional economic collaboration which is, for the most part, better justified economically and more natural than collaboration with the Soviet Union.

The two movements toward integration, one with Russia and the other interregional, are developing in a parallel way. It is difficult to say which of the two trends is more intensive, although possibly that with Russia is. They can be judged by the data, published several months ago in Moscow, on this area's foreign trade for 1951. When checked with United Nations information on the same subject, the following table appears to be substantially correct.

The table shows that the northern part of the area conducts more trade with other states than with the Soviet Union, while the contrary is true of the south of the area. Soviet Russia does as much trade with Rumania and Bulgaria as Nazi Germany used to do around 1940. Because of their geographical position and the rural structure of their economies, these two countries are on their way toward being drawn into

8: Black S-4 (no date) 1954 El Europe El

439
●185

Foreign Trade of Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and Albania—1951 [4]

(IN PERCENTAGE OF TRADE WITH)

	USSR	*Other Communist Countries (including Eastern Germany and China)*	*Free World*
Poland	25	33	42
Czechoslovakia	28	32	40
Hungary	29	38	33
Rumania	51	28	21
Bulgaria	58	34	8
Albania	57	43	0

the economic system of the Soviet Union. The remaining four countries are less economically dependent on Russia. The place of Eastern Germany in interregional trade is very important. It is able to supply the rest of this area with much heavy and precision machinery, as well as potash and other fertilizers, in exchange for fuel, foodstuffs, and raw materials.

IV

185 The social policies of the satellite governments follow in
661 their general outlines those practiced by the Soviet Union
642 but may be described as somewhat more moderate, if only because the respect for human values has been more deeply ingrained in the westernized societies of Eastern Europe than they have in Russia.

The principle dominating these policies is that the Soviet-type revolution was made in the Eastern European countries in the interest of the people and that it continues to serve their interests. There is no speech made or publication issued be-

[4] P. Suslin, "The Consolidation of the Democratic World Market," *New Times* (Moscow), No. 5 (January 28, 1953), p. 10.

8: Black S-4 (no date) 1954 El Europe El

hind the Iron Curtain that does not emphasize the eternal dedication of the People's Democracies to this fundamental concept. It is likely that some members in the lower echelons of the party are sincerely persuaded that this indeed is the case. Not so the ruthless social engineers among the top Communists. These experienced pupils of Moscow realize, of course, that in the Communist system there is a very definite hierarchy of goals, that first things have to come first, and that the expansion of industry comes before the welfare of the people. The two cannot be sought at the same time with the same intensity since the Communist state has not the means to proceed in both directions at once. There is reliable evidence that the four northern satellite governments opposed, insofar as they were able, the imposition on their countries of the immense goals and back-breaking burdens of industrial expansion. They regarded the enormously revised targets of 1950 and 1951 as burdens too heavy on their economies. Nevertheless, they had to yield to Moscow's pressure, which was probably connected with the outbreak of the Korean war. The relatively poor nations of Eastern Europe cannot afford both guns and butter. Since it had to be guns, butter has had to be delayed to a more or less distant future. If this is the case in the Soviet Union, it must be even more so in Eastern Europe. The result is a gradual, though uneven, lowering or at least stagnation of standards of living in Eastern Europe as compared to what they were during the first years after the recent war.

Such a generalization would, of course, be vehemently denied by the satellite governments. They publish statistical data to the effect that much new housing is being built, that more food is being produced and therefore consumed, and that the population is better clad with every passing year. A trained researcher will not accept these claims at their face value. The extremely generalized social statistics from this area are even less reliable than statistics on agricultural out-

8: Black S-4 (no date) 1954 El Europe El

ing example. The regime knows that it cannot assure a decent standard of living to the adult population and probably realizes that the coming generation will not live much better. However, it hopes that the young ones will be more pliable. Since they will not know that life can be better, they will not grumble. In the political and moral field, the desire to capture the minds of the youth is what industrialization is in the economic domain—the primary goal to which all others must be subordinated. From another angle, education, especially technical education, is the necessary counterpart and precondition of the fully industrialized, urbanized, and mechanized socialist society.

The first point of the Communist program for the young generation is to insure its numerical strength. Before the last war, the populations of Poland, Rumania, Yugoslavia, Bulgaria, and Slovakia were increasing with great though gradually diminishing rapidity. In the Czech lands proper and in Hungary, the natural increase was low with a trend towards demographic standstill. Some economists believed that the key problem of Eastern Europe, that of rural poverty due to overpopulation, could not be solved unless the population ceased to multiply so rapidly. From the strictly economic point of view, there was much truth in that assertion. The Communist regimes, including that of Yugoslavia, have taken the opposite stand. Their publications wage a war against the prewar theory which they say is born of despondency characteristic of capitalism. Communism, they claim, will solve all problems. But to prosper, People's Democracies need many children. Whether because of these social policies or because of other reasons, the prewar trend toward low natality has been reversed in most countries of the area. No demographic data on Rumania have been published for some years, which may mean that the policy of high natality has not been successful there. Elsewhere, data show that many more children are being born now than before the war and

8: Black S-4 (no date) 1954 El Europe El

more of them survive infancy. In consequence, if rather fragmentary national statistics are to be believed, the rate of increase in population has risen to what it was a generation before. Roughly speaking, the number of Hungarians has been increasing annually by 60,000, that of Czechs and Slovaks (mainly Slovaks) by 140,000, that of Yugoslavs by 180,000, and that of Poles by over 400,000. Whether this trend will continue for a long time, no one can say.

The second point of the program in respect to youth is an all-out attack on illiteracy. Before the war, the area as such was making rapid progress in schooling, and in its western part illiteracy was no longer known. In its eastern and southeastern regions, however, there were still large residues of illiteracy in the adult population and, in spite of compulsory elementary education, there were not enough schools in some rural districts. The result was that some children never went to school. The Communist regimes claim that they have done away with a large proportion of illiteracy among adults and even elderly people, and that illiteracy as a condition is gone forever. There is no way of checking this assertion but it is likely that it is correct. The obvious comment is that the more literate people there are, the stronger a weapon Communist printed propaganda will be. Thus, the new schools behind the Iron Curtain are but the first installment of a vast campaign of propaganda and indoctrination.

The third and, in a sense, the most important point of the program is the great effort of the Communist regimes to promote professional and technical education on secondary and academic levels. The fulfillment of the long-range economic plans depends, in the last analysis, on its cadres, that is, on its trained personnel. To use a Communist simile, the new industrial army, millions strong, needs hundreds of thousands of noncommissioned and commissioned officers. These men and women are being graduated all over the captive area from technical schools of every description. The numbers

8: Black S-4 (no date) 1954 El Europe El

both of graduates and of schools are several times larger than before the war and are still increasing. The educational level is much lower than it was either before the war or in the free West, but it tallies with the Communist conception of superior education which aims at mass production of technicians specialized in one limited field and not instructed in general culture. Here again, these countries have to follow Soviet precedents, and narrow specialization is the method and the aim of education.

The emergence before long of thousands of newly graduated engineers, chemists, and the like, will have a profound effect on the economic and social structure of the area. These young people will be the managerial class of the future. Their lives will be dependent on the industrial trend of the economy of the captive nations. Unlike the new teachers, lawyers, writers, and other intellectuals, who will have to be agents of the Communist political machine, the new technicians will be allowed to serve both their own and national interests without being associated day in and day out with the sinister doings of the police state. Technology, like medicine, is one of the very few fields of creative activity open to non-Communists. When this is taken into consideration, it will be seen that the young men and women who besiege institutes of technology and other technical schools behind the Iron Curtain are very largely those who wish to preserve some independence of spirit. In their own domain, they will be able to dedicate themselves to creating national material wealth without paying more than lip service to the political framework in which they exist. This kind of work, where there is much less political supervision, may possibly come to be considered the closest thing to individual initiative. In contrast to the 'Commissar' group of the new middle class, the new managerial stratum of these societies is, or may become, aware of the superiority of life in the free world and thus be a potential ally of the West. There seems to be, however, a

8: Black S-4 (no date) 1954 El Europe El

reflect that, had their country had a sufficient industrial basis in 1939 to equip ten armored divisions for which she had enough trained manpower, her loss of independence and many other events in modern history could have been prevented.

The present industrialization of Eastern Europe is gradually eliminating this handicap of the past. To be sure, the increase of the industrial potential of these countries lies in the interest of the Soviet Union in its own military preparations. The men in the Kremlin may dispose as they wish of this area's industrial plants together with all its human and material resources with the single exception of the spirit of its peoples. From the standpoint of both the immediate and long-range interests of the West, any addition to the wealth or the strength of Eastern Europe is unwelcome so long as the latter remains a part of the Soviet bloc. These countries are of course aware of this situation, but they have to think also about their future. They hope that one day the Iron Curtain will be lifted and they know that at that time they will need all their new industrial wealth in order to cease being an area of social unrest and a target for exploitation by powerful neighbors as well as a hotbed for world wars. Nobody has disputed the right of Russia to evolve into an industrial power. No one can expect the countries of Eastern Europe to relinquish their hopes of freedom and their rights to prosperity which, in the light of their past, are linked to the modernization of their economic structure. Wendell Willkie said during the last war that "Only the productive can be strong, and only the strong can be free." His words apply to all nations alike. The nations of Eastern Europe are potential allies of the West. Those who earnestly desire a better world should bear in mind that the lasting interests of these friendly nations transcend their temporary position as Russia's enforced associates.

8: Black S-4 (no date) 1954 El Europe El

changes in agricultural policy in the people's democracies. The only causal factor common to both areas is a very practical one: agricultural production has not been in a position to supply the needs of the growing industrial population. The socialist objective of complete nationalization of agriculture has nevertheless not been retracted or withdrawn. On the contrary, the satellites are acting within the orthodox pattern of Soviet experience.

In the economic sphere, the orbit is passing through a period comparable to the Russian New Economic Policy. In the words of Stalin this is a "special policy of the proletarian state counting on the tolerations of capitalist elements, the commanding heights being in the hands of the proletarian state. . . .", in short a policy which aims "at overcoming capitalist elements and building a socialist economy by the method of a direct exchange of products. . . ." As if the Soviet experience itself did not suffice as a guide, there is the advice of Stalin on the proper agricultural policy required to prepare the transition to communism: continued development of the country's industrial resources, the gradual adjustment of collective farming to the nationalized sector of the economy, and the raising of the standards of living and culture. All these the satellite states are in the process of attempting to accomplish. There may be compromises in the short run, but there will be no compromise regarding the ultimate objective—the complete socialization of agriculture.

Changes in agricultural policy are particularly marked in those countries which have been heretofore heavily agricultural: Yugoslavia, Hungary, Albania, and Bulgaria. The restiveness of the population arising from the social and economic consequences of enforced industrialization made these changes necessary. The changes are short-run changes. While budgets for agricultural development will be increased, prices lowered for industrial goods and increased for farm products, establishment of producer cooperatives delayed,

8: Black S-4 (no date) 1954 El Europe El

185 and fines for delay in delivery of agricultural products abolished, the basic policy of collectivization remains. The problem facing the satellite governments is one of tempo, not of objective.

000 The governments of the Soviet orbit are subject to all these strains and stresses which arise from a system of dictatorship over the minds and bodies of men. Nevertheless, the Western observer must be cautious in reading into these changes any amount of wishful thinking. It does not follow that a process of disintegration is taking place within the Soviet orbit. A more realistic attitude would be to assume that since there is no change in the rate of capital investment and armament production, the Soviet empire is anything but on a decline.

At the same time it would be a mistake to ascribe to the rulers of the Soviet orbit a monopoly of political omniscience. They are handicapped by a political dogma which prevents a clear assessment of the problems which face them day in and day out. It would also be an error, on the part of the Western democracies, to examine the problems of Europe today from the vantage point of the past alone. They must be conscious of new variations which arise from the current Eastern European experience.

8: Black S-4 (no date) 1954 El Europe El

425 property, the right to travel, and the right to work in desir-
563 able occupations, have been dependent not upon a man's diligence, honesty, or thrift, but upon the accident of his affiliations with the group temporarily in power. A man's property and freedom thus came to depend upon the official estimation of his "political reliability" or loyalty, which was defined for him by a rapidly changing sequence of politicians and political regimes. Many of the men who practiced these policies of confiscation and repression considered themselves anti-Communists, or professed themselves as such. Yet in their disregard for property rights and civil liberties they did much to pave the way for Communism.

V

185 Perhaps it has been memories of the stagnation under
668 the old empires and the conflict and repressions of the following eras of nationalism that have turned many to visions of a safer, broader, and more generous life under an Eastern European federation.

In the minds of those who accepted this vision, a federation of Eastern European states would offer its peoples military security against invasion by outsiders. It would insure economic prosperity, provide a more stable distribution of economic welfare, safeguard property, provide broader opportunities for all, reward work, thrift, and enterprise, and by all these means serve to insure broad and rapid economic growth. In regard to politics, it would safeguard civil liberties. It would guarantee nondiscriminatory treatment to all peoples and minorities and free mobility to individuals throughout the region. It would assure to both individuals and peoples throughout Eastern Europe respect for their diverse habits and traditions, so that none of them would be forced to change their respective customs, work habits, and social institutions more rapidly or more radically than they might

8: Black S-4 (no date) 1954 El Europe El

freely choose. To ease the complex and subtle problems of culture, emotions, and psychology, it was hoped that the federation would insure widespread opportunities for education. It was hoped that it would give to the inhabitants of the region both social and international prestige. It was hoped that it would bring them to a status of equality with the reference groups which they had chosen as yardsticks for comparison, or that in some way an Eastern European federation would make its citizens the equals not only of the French and German peoples but perhaps in time even of the English and American peoples, who have now become the reference groups for standards of achievement throughout the world. Finally it was hoped that such a federation would give rise to inspiring common enterprises that would unite the peoples of Eastern Europe in a new sense of their own identity, as in past centuries the monarchies of Western Europe, according to the philosopher José Ortega y Gasset, have united their own peoples into a sense of dignity and nationhood.

In striking contrast to the splendor of these visions was their relative poverty in specific detail. None of the larger projects for federation in this region were ever negotiated by governments or even by responsible political leaders from the different areas. There was a negotiated project of the Polish-Czechoslovakian federation, worked out by Czechoslovakian and Polish leaders-in-exile during the Second World War, but this project which included only two states in the region was not followed up by the established governments or by the major political organizations after the war.[3]

[3] Cf. United States Department of State, Division of Library and Reference Services, *Danubian Federation: An Annotated Bibliography (Bibliography No. 66)*, Washington, D.C., October 28, 1952 (multigraphed); Feliks Gross, *Crossroads of Two Continents: A Democratic Federation of East-Central Europe* (New York: Columbia University Press, 1945), pp. 28-34, and for the text of the Polish-Czechoslovakian Declaration, signed in London on January 25, 1942, by representatives of the two